

Hun Sen Considers UN Rule

**Proposal Includes
Supervised Vote
For Cambodians**

By Michael Richardson
International Herald Tribune

SINGAPORE — In a possible breakthrough in the Cambodia conflict, the Phnom Penh government says it is ready to discuss Western proposals to place the country under temporary United Nations rule until free elections are held.

Hun Sen, prime minister since 1985 of the Cambodian government installed by Vietnamese forces in 1979, called over the weekend for fresh talks between the warring factions. The official Cambodian press agency, SPK, quoted Mr. Hun Sen as saying that he was prepared to discuss the peace plan put forward recently by Australia for a UN administration in Cambodia.

This would prevent the Khmer Rouge, responsible for the deaths of as many as 2 million Cambodians during its four-year tyranny, from having any role in government unless it could win a large number of votes in free elections, which is considered highly unlikely.

Western and Asian diplomats cautioned Monday that the offer seemed to rule out an essential part of the new plan for a political settlement: that the United Nations should in effect take political power from the Phnom Penh government.

But they said Phnom Penh's offer would probably encourage Indonesia and France to organize a round of informal peace talks in January or February in an effort to break the Cambodian deadlock.

Mr. Hun Sen also said that Cambodia's seat in the United Nations should be declared vacant, as Australia had suggested.

By doing this, Mr. Hun Sen added, the United Nations would adopt an impartial stance and "it can assume a role in controlling and supervising the implementation of the agreement and general elections in Cambodia."

Until now, the Phnom Penh government has rejected UN involvement in Cambodia's internal affairs. Diplomats said that Mr. Hun Sen was unlikely to have made his statement without consulting Vietnam and the Soviet Union, which provide extensive aid and diplomatic backing to Phnom Penh. The Australian initiative has See **PEACE**, Page 12



General Fiedor/Agence France-Press

AS THE IRON CURTAIN FALLS — A Czech guard ripping down barbed wire Monday along the Austrian frontier, left (Page 2), while ambassadors of the four World War II Allies met in Berlin to



Michael Urtan/Reuters

Gorbachev, With Offer to Step Down, Shows He's in Control

By David Remnick
Washington Post Service

MOSCOW — An emotional, rhetorical offer by Mikhail S. Gorbachev to resign in the face of conservative criticism at a meeting of the Communist Party leadership was the surest sign yet that he is confident of his political position despite the crisis in the economy and a decline in his popularity.

After a regional party chief from Siberia, Alexander Melnikov, criticized the leadership at the Central Committee plenum on Saturday for "looking for approval" from the

West and even for "blessings" from Pope John Paul II, Mr. Gorbachev responded with a rhetorical display of strength. He said that if the party really wanted to change course,

NEWS ANALYSIS

perhaps he ought to step down. No one in the hall pursued the matter except to support Mr. Gorbachev.

Ivan Frolov, editor of Pravda and a Central Committee secretary, said that while there had been no formal offer or discussion of resignation, Mr. Gorbachev "showed

there was no course for him or us other than revolutionary reform." Mr. Gorbachev's reference to resignation, Mr. Frolov said, was merely "an orator's device."

According to one Estonian party secretary, Mr. Gorbachev's response to Mr. Melnikov was both emotional and tactical. Mr. Gorbachev, the Estonian leader said, "stuck very firmly to his line. Gorbachev said: 'It's my life's work. It's my way of seeing things and I am not giving up.'"

Mr. Frolov, one of the Soviet leader's closest colleagues, said that

Mr. Gorbachev was "not worried" about his popularity. "You have to think, what alternative is there to Gorbachev? The reality is, there really is no alternative."

Since coming to power in 1985, Mr. Gorbachev has revamped the Communist Party leadership to such an extent that speeches like Mr. Melnikov's no longer seem very threatening to his position.

Although a more open atmosphere has made disagreements within the party more apparent, there are no conservative coalitions, just conservative moments and opinions.

Through purges and appointments, Mr. Gorbachev has both consolidated his position and attempted to present to the public a "renewed" Communist Party.

The Soviet legislature, the Congress of People's Deputies, reconvenes here Tuesday, and Mr. Gorbachev is sure to hear more criticism, both from conservative and radical deputies.

Events in Eastern Europe have put tremendous public pressure on the Soviet Communist Party. Now

that Czechoslovakia, East Germany, Hungary and Poland have ended the Communist monopoly on power — and Bulgaria said Monday it would do the same — more and more people here are wondering when the Soviet Communist Party will follow.

Perhaps the only unifying emotion among all Soviet citizens is a resentment over the lack of food and goods in the stores. But while such resentment has inflated the status of such populists as Boris N. Yeltsin, it is neither a platform nor an alternative to Mr. Gorbachev.

Capitalism in East Bloc Faces Uphill Struggle

By Louis Uchitelle
New York Times Service

The mild capitalism emerging in Eastern Europe, though unthinkable in these Communist nations just a few years ago, is a far cry from the free-market economics practiced in the West and will probably remain so for a long time.

Recently, millions of East Europeans have come out fairsquare for free markets.

Yet, the popular uprisings in Eastern Europe have focused mainly on detaching the authoritarian Communist parties that have ruled for more than 40 years.

Economic change is another matter, not yet addressed in East Germany or Czechoslovakia, and still in an early stage in Poland and Hungary.

Among the Balkan states, only Bulgaria is responding to the pressure for change.

But already the major economic challenges confronting the governments of Eastern Europe are clear-cut, and so are the social conflicts these nations will face in trying to make the wrenching transition from old ways to new, in the view of more than 15 economists and experts on Eastern Europe.

The key decision, the experts agree, will be whether or how far to dismantle the centralized communist economic systems and move instead toward free-market capitalism, with its private ownership and its potential for creating a society of winners and losers.

Indeed, ideological support for communism may be fading quickly, but not for two of its attributes: lifelong job security and equal incomes across most of society.

"The biggest issue is egalitarian income distribution; only Poland and Hungary have had experience with having and having-not," said David Kemme, chief economist at the Institute for East-West Studies in New York.

The East Europeans are being pushed toward market economies by what Josef C. Brada, an expert on Eastern Europe at Arizona State University, describes as the breakdown of a bargain.

"People put up with the state systems because they perceived a kind of social compact where the state would provide a stable standard of living in exchange for exercising so much authority," he said.

See **EAST**, Page 12

Leipzig Grows Tense After Reunification Calls

Reuters

LEIPZIG, East Germany — As many as 150,000 people demonstrated in the center of Leipzig on Monday, but tensions rose as groups chanting for German reunification were hissed and booed by opponents.

Groups in the swelling crowd on the central Karl-Marx Square chanted "Germany, United Fatherland" and "Deutschland, Deutschland." Other respondents with a slow, shuddering clapping that echoed through the icy evening, punctuated by cries of "Nazis Out."

The demonstration, which began after Monday evening services at a church in cen-

tral Leipzig, was a first test of the influence of the new Communist leader, Gregor Gysi. Hundreds of banners waved above the crowds, many denouncing the Communist Party, officially called the Socialist Unity Party, or SED.

"We will not be slaves of the SED anymore," one banner trumpeted. "Communists out," another declared, while others urged unification with West Germany as a swift cure for East Germany's turmoil.

Demonstrations of as many as a million people here over the past two months have passed off without any violence.

But the appearance for the first time last week of banners urging German reunification

unleashed fears of an emotional conflict over a long-suppressed issue.

Speakers on the steps of the Leipzig Opera appealed for calm.

Leaflets circulated in the crowd by one group cautioned: "Do not allow any inhumane acts. Concentrate on your peaceful demonstration."

On the steps of the Opera, speaker after speaker stood before television cameras calling for radical changes to revive the economy and action to punish officials who served under the disgraced leader, Erich Honecker.

Mr. Honecker is under house arrest north of East Berlin. Many of his former colleagues are in custody under corruption charges.

Bulgarian Leader Calls for Free Elections

By Clyde Haberman
New York Times Service

SOFIA — Yielding to popular demands for greater democracy, Bulgaria's new leader said Monday that the Communist Party's monopoly on political power should be abandoned and free parliamentary elections held by next spring.

President Petar T. Mladenov also urged that the Bulgarian Constitution be rewritten, and he promised to begin "an equitable

dialogue with all social forces," a concession to opposition groups that have demanded a voice in the country's future course.

In addition, Mr. Mladenov

called for quick new programs to resuscitate an economy that he said was in serious crisis, burdened with shortages of food and manufac-

tured goods, low productivity, inflation and a large foreign debt.

The country, he added, faces multiple crises in its social, moral and political life. He blamed virtually all of them on corruption and other abuses by his predecessor, Todor Zhivkov, who was dismissed last month after 35 years in power.

"The Todor Zhivkov regime deteriorated into a dictatorship," he said at a meeting of the Central Committee. But Mr. Mladenov,

himself a Zhivkov protégé, stopped well short of accusing of opposition demands that the disgraced former leader be put on trial.

He did, however, bow to the major demand at a pro-democracy rally on Sunday — that Bulgaria's Communists follow the example set in other East European countries and give up their automatic right to rule. This monopoly, guaranteed in Article 1 of the Bulgarian

See **SOFIA**, Page 12

Style



A hairstyle created for Chanel by the coiffeur Alexandre. A profile by Suzy Menkes in the redesigned Style section. Page 6.

General News

Chile's Socialists have adopted a moderate stance for the coming elections. Page 3.

Business/Finance

Taiwan investors made their largest foreign purchase, a U.S. computer firm. Page 13.

Crossword

Page 12.

Dow Jones	The Dollar
2,728.24	DM 1.78
Down 3.20	Pound 1.994
	Yen 144.30
	FF 6.016

Lagos: Expect the Unexpected

By Neil Henry
Washington Post Service

LAGOS — One day last month on a highway not far from here, four travelers — a Nigerian driver, a West Indian businessman, an aid worker from Sierra Leone and an American journalist — were cruising along in a rented car when they noticed the bottom half of a human body lying near a cornfield on the side of the road.

The vision flashed by in an instant, for the car — like many in Nigeria — was hurtling along at high speed. But the image was as unmistakable as it was inexplicable.

The car continued to race for several seconds before anyone could speak, but one could almost hear the unspoken questions reverberate within the vehicle. Was that really a corpse? Where was the top half?

"Did you see that?" the West Indian finally asked. The speechless American and the Sierra Leonean nodded, their heads craning back for a second glimpse of the rapidly receding shape.

Three more seconds of silence. "It was probably a fight. Or a car accident. Or a wedding sacrifice. There is some of that here," the driver said, perhaps feeling

compelled, as the only Nigerian in the car, to try to explain. "But I'm not going back to see."

There is no sociological point or cautionary moral here, just a word of advice: When traveling in this mad, beautiful, thrilling, exasperating country, it is probably wise to brace for the unexpected.

A hand-painted sign nailed to the rear of a gasoline truck bar-

**The people of
Lagos are
exceptional —
bold, defiant,
argumentative,
inventive, rude
and proud.**

reling along a street in this city of two million the other night perhaps said it best: "Nigeria: God's Case, No Appeal."

It is a country with daunting social problems and shocking economic extremes but incredible wealth in people, language and culture. Go to the north, to the ancient city of Kano, and you

are transported to a time of sultans and mosques where men in flowing gowns stop five times a day to wash their feet and pray.

While Kano reflects deep cultural history, Lagos, the capital, is modern — big cars, garish billboards, noise, eye-singing smog and high-rise buildings slicing the sky. While many northerners value a fine sense of manners and grace, most people in Lagos seem to have been schooled by New Yorkers. They do not suffer fools. In fact, they do not like them.

"Get outta my face!" a cab driver, T.J. Odeinde, screamed at a truck driver who tried to make a U-turn on an expressway in front of him. As cars zoomed on either side, his tape deck going full blast, the irate Mr. Odeinde slowed down, flicked his hand out the window and made a scratching motion with his fingers toward the offender.

The gesture seems as commonplace in Lagos as a wave or a handshake. It means, Mr. Odeinde explained, "Much abuse to your mother."

Lagos is a fine place for abuse. It is big, hot and ugly and a hellhole to move about or work. See **NIGERIA**, Page 12



Adi Binnion/The Associated Press

DEATH AT THE CROSSROADS — A South African woman and her children surveying the damage Monday at the Crossroads township near Cape Town after four blacks were killed, eight were injured and 65 homes were destroyed in factional violence.

As Husak Fell, So Did an Era

Czech Leader Was Last Link to Post-1968 Crackdown

By Henry Kamm

PRAGUE — The resignation of President Gustav Husak on Sunday marked the departure from Czechoslovakia's political life of the last and most prominent figure associated with the "normalization" policies that followed the suppression of the liberal "Prague Spring" of 1968.

"Normalization" was what the Soviet invaders and Czechoslovak collaborators in August 1968 began to demand before tanks and troops of the Warsaw Pact were withdrawn from the streets of Prague.

Basically it meant the cancellation of the rights to speak and write and to travel and associate freely that had evolved under the attempt by Alexander Dubcek and his associates in the Communist leadership in Prague to transform Soviet-style communism into what was called "socialism with a human face."

Censorship was reimposed, and hundreds of thousands of people were dismissed from their professions and trades and given jobs meant to humiliate them.

"They tried to normalize us, but we were normal all the time," is one of the more pointed of the political

graffiti that in the last weeks have covered the walls and shop windows of the center of the city.

Mr. Husak, who had served in the government of Dubcek, was honored for having endured a period of imprisonment and torture in the Stalinist 1950s without implicating anyone, but he had essentially stayed in the background.

However, months after the invasion, when the reorganized Prague leadership virtually exiled Mr. Dubcek by making him ambassador to Turkey in April 1969, it was Mr. Husak who was named his successor as head of the party.

That was when he came into his own. Under his rule, the "normalization" processes that Mr. Dubcek had tried to limit were speeded, extended and carried out ruthlessly. Mass dismissals swept academic and professional institutions. Entire research institutes, including some social science academies belonging to the party, were dissolved for lack of politically acceptable academic personnel.

Newspapers and magazines returned to a Stalinist gray after having grown increasingly lively through the 1960s, even before the 1968 peak. Writers, theater people

and filmmakers were banned, and even their pre-1968 works taken from libraries, stages and screens. One of Europe's great cultural centers became a backwater.

The party itself, by a process of negative selection, eliminated its most vital forces. Mediocrity, opportunism and the conservatism exemplified by Mr. Husak enfolded it to a degree that only now, when it crumbled and lost its absolute power in less than a month, has become fully evident.

The only vital force to arise during Mr. Husak's long reign, as party chief and later as president, was made up of those who have now brought him down. They were the dissidents, above all those of Charter 77, who continued to speak and write. Declarations, books and articles were copied by typewriters and circulated from hand to hand.

The dissidents paid a heavy price in persecution by Mr. Husak's secret police; many were imprisoned, many more harassed and others assigned to menial labor and deprived of such small freedoms as vacation trips even to other Communist countries.

Not only the dissidents paid the price. Their spouses lost their jobs



Gustav Husak preparing to announce his resignation as president of Czechoslovakia.

as well, and their children found no universities that would teach them. To escape from "normalization," most did no more than the strict minimum in their public lives and withdrew into what many called "internal emigration."

They came alive only in their private spheres; the creative vitality that through the ages made Prague an energetic center of learning and commerce went into the building of cottages in the countryside, the tending of gardens and watching or participation in sports.

The people of Prague hardly noticed this, but regular visitors saw the progressive stilling of a throb-

bing city into dreariness. "Normalized" Prague became one of Europe's duller capitals.

In his resignation speech on Sunday, Mr. Husak thanked those who wrote to him in these days, to praise or to criticize. "It's good to know what people think about me," he said.

How a Communist Paper Brought Down Berlin

By Henry Tanner

The most damaging evidence of the massive official corruption which, in the end, brought down the East German Communist leadership, was revealed by Berliner Zeitung, a Communist Party newspaper in East Berlin.

According to Deputy Editor Dieter Resch, the newspaper was able to play this role because it had the protection of a powerful local party chief and had gained a reputation for relative independence even before the fall of the government. Mr. Resch spoke in a telephone interview.

Berliner Zeitung began its campaign of exposures two months ago, he said, when "the revolutionary movement" began to gather momentum and when "freedom of the press turned out to be one of the public's foremost demands."

"We were widely — but wrongly — regarded as a newspaper close to the ruling party, rather than a real party paper. In fact, we were both a central party newspaper and the organ of the local leadership. The dual role gave us relatively more freedom because Günter Schabowsky, the local party secretary, had allowed us to take a critical stand on some economic issues," Mr. Resch said.

The paper had reported some economic failures and criticized the performance of some factories but "naturally" had not

questioned the overall concept, he said. As the paper's economic editor, Mr. Resch had provoked the wrath of hard-liners in the Politburo, who tried to sack him a year ago. He survived only because Mr. Schabowsky personally defended him, he said. He was named to the controlling position of deputy editor less than two weeks ago.

The first major event in the paper's campaign was a story in mid-October on the tortuous ways in which the boss of the leading trade union, I.G. Metall, had built himself a luxurious new home. The coverage was attacked as slanderous by other official papers.

Then, on Nov. 1, Berliner Zeitung broke the more flagrant and politically more damaging case against Alexander Schalck-Golodkowski, a Politburo member who is now in a West Berlin jail fighting extradition on charges of fraud and currency speculation.

"A reader had tipped us off about the existence of a special construction firm which was building homes for the children and grandchildren of Politburo members on Schalck's orders," Mr. Resch said. Mr. Schalck-Golodkowski was managing the regime's foreign currency operations.

"We made our own investigation and found the evidence," the editor said. "We published what we could prove and gave

the rest of the information to the prosecutor's office."

The government, nevertheless, sent Mr. Schalck-Golodkowski on a mission to Bonn 13 days after receiving the information. "They had all this time to get hold of him but they didn't," Mr. Resch said. Berliner Zeitung has criticized Hans Modrow, the prime minister, for his handling of the case.

But Mr. Resch believes that the government's failure to arrest Mr. Schalck-Golodkowski was a mistake rather than a cover-up.

"They were under tremendous pressure from events," he said. In the context of a forthcoming visit by West German Chancellor Helmut Kohl and others, he said the government "probably felt it could not do without Schalck's services as a negotiator in Bonn," he said, adding that Mr. Modrow "is overwhelmed by work, almost beyond human capacity."

"I have to tell you that Modrow is one of the very few leaders who is above all suspicion," he said. "This is why he is popular."

Mr. Resch assumes the same of Gregor Gysi, the lawyer who became the new party chief on Saturday, and of the mayors of Dresden and Leipzig, Wolfgang Berghofer and Bernd Seidel, who are the other most talked-about up-and-coming new party leaders. But he is hedging his bets just slightly.

"There is no suspicion of corruption against any of the new men," he said, "but I have to tell you that each day is bringing new revelations. It is difficult to predict what may emerge in each particular case."

Asked to explain the sudden about-face of a population that had been subservient for so long, Mr. Resch said:

"I think you are wrong to call it a sudden about-face. It has been in the making for at least two years. Local assemblies in factories, trade unions and apartment buildings have been very different from anything in the past. Everywhere at the local level people have been asking sharp questions and making sharp demands."

Then the demand for freedom of travel grew louder, he said, but the authorities ignored it. Finally, there was the exodus through Hungary.

"What touched off the domestic revolution was the tens of thousands of people crossing the Hungarian border into Austria; those television pictures were before the eyes of every citizen."

Asked about his own reaction at the time, he said:

"I tell you what happened to me on the evening I saw those pictures. I wept. And I said to my wife, 'what have we made of these people? And I was referring to all of us who had been playing a part in driving these people abroad.'"

Czech Party Proposes Popular Vote For Leader

By Dan Morgan

and Stuart Auerbach

Washington Post Service

PRAGUE — The Communist Party has proposed to change the national constitution to permit Czechoslovaks to vote for president in a popular election to be held in the near future, a senior party official disclosed Monday.

The proposal could test the national popularity of the young pro-democracy group Civic Forum, whose candidate is Vaclav Havel, the renowned Prague playwright. Civic Forum, which led the successful effort to end the Communist Party's political monopoly, has made free elections to parliament one of its main demands.

Mr. Havel and Civic Forum appear to be extremely popular in Prague, and the organization has been feverishly working to extend its influence to remote factory towns and rural areas. But it is unclear whether Mr. Havel, a dissident playwright who for years was ridiculed as a dangerous enemy of the republic by government propaganda, could win a popular election. His defeat could deal a setback to the whole democracy movement.

Vasil Mohorita, the Central Committee secretary, said in an interview Monday night that he made the proposal for popular elections during talks earlier in the day with Civic Forum and smaller parties aimed at selecting a single candidate for the Federal Assembly to vote on.

Under the constitution, the Federal Assembly must fill the vacancy by Dec. 24. But Mr. Mohorita said that Communist deputies who dominate the assembly had agreed to support a change in the constitution to allow a direct election.

A member of Civic Forum said the group was still evaluating the proposal. On Monday, the Czechoslovak youth union proposed as its candidate Cestmir Cisar, a liberal former Communist associated with the movement of 1968.

Alexander Dubcek, who led the "Prague Spring," has said he would accept a draft, but he is given little chance because of an agreement among all parties that the president be a non-Communist and Czech. Mr. Dubcek is a Slovak.

Mr. Mohorita acknowledged that he had some reservations about the idea of holding a direct election of the president soon. The risk, he said, was that it "might just prolong the tension" in Czechoslovakia. "Other problems may emerge," he said, adding, "Even the pre-election campaign might have a number of unpleasant aspects."

The new coalition government in which Communists are in a minority began its first working day on Monday. But at noon, sirens wailed, car horns honked and citizens stood on street corners jangling key rings and making V-for-victory signs in a joyful celebration of the "peaceful revolution" proclaimed Sunday by Mr. Havel.

Foreign Minister Jiri Dienstbier, a former political prisoner, left his home for the swearing-in ceremony at 9 A.M. apologizing to a reporter. "I'm sorry," he said. "I must go take over the Foreign Ministry."

Jan Carnogursky, another former political prisoner, took over his new post as a first deputy prime minister.

But the new government in Prague, for all the euphoria, faces a daunting array of political and economic problems. Prime Minister Marian Calfa indicated Sunday that such major economic decisions as what to do about industrial monopolies and state-owned property would be postponed until after legislative elections, which are scheduled to take place before July.

Diplomatic sources said they expected the government to focus initially on political issues, such as clearing the way for a democratic political campaign by getting rid of laws that restrict the press, assembly, and civil rights.

In East Germany, Jews Feel Both Elation and Fear

By David Binder

New York Times Service

BERLIN — The handful of citizens who are observant Jews or of Jewish ancestry in East Germany are viewing the current political upheaval here with a peculiar combination of elation and fear.

According to several of them, there is a sense of great pride that one of their own, Gregor Gysi, was overwhelmingly elected in a secret ballot on Saturday to become the chairman of the Communist Party.

Klaus Gysi, the father of Mr. Gysi, a 41-year-old lawyer, was born a Jew and was the East German secretary of state for religious affairs until his retirement a few years ago.

The son is not a religious person, but in the last several years he has attended cultural events sponsored by the Berlin Jewish Community, which has a membership of 200.

"I am happy for him," said Marion Kant, 38, a dance historian and musician in East Berlin. Mrs. Kant is the daughter of the late Ernst Hermann Meyer, a prewar Communist who became an eminent musicologist and composer as an émigré from Nazi Germany. He came from a Berlin Jewish family.

"I am pleased about Dr. Gysi," said Irene Runge, an assistant professor of ethnography at Humboldt University in Berlin and the Jewish community's spokeswoman. "But I am also very scared."

Both Professor Runge and Mrs. Kant said they had recently been subjected to anti-Semitic remarks by strangers in East Berlin, and both said they were deeply disturbed by reports in the East German press of neo-Nazi incidents in various parts of East Germany.

In Erfurt, the police are investigating the writing of anti-Semitic slogans on buildings last month. There was another incident Thursday in Bernburg, near the border with West Germany. The state press agency said seven young men beat three 11-year-old boys, beat them and then smeared a swastika on the forehead of one of them with hot wax while shouting Nazi slogans.

Last week, the chairman of West Germany's extreme-right Republican Party demanded that his party be allowed to install itself in East Germany.

On Sunday afternoon, about 20 young East German men marched down the well-traveled Friedrichstrasse carrying a banner with a slogan denouncing the Republicans: "No to Nazi Swine."

The issue of Jews and anti-Semitism in East Germany is more complex than in other Warsaw Pact countries. In East Germany, as in Poland, Hungary and Rumania, many leaders chosen by Stalin to install a Soviet-style system after World War II were known to be of Jewish origin.

In some cases, notably in Poland and Czechoslovakia, anti-Semitic purges were later set in motion, blaming the Jews for failures. In those countries, code words like

"internationalists, Trotskyites and rootless cosmopolites" were widely understood as critical terms referring to Jews.

But in East Germany all such tendencies were made more complex by the legacy of the Nazi period. On one hand, many Communist leaders sought to draw legitimacy and esteem from activities in the anti-Nazi struggle, while at the same time the parents and grandparents of most Germans supported and served Hitler when he ordered the genocide carried out against the Jews.

Professor Runge said that in addition to the 200 full members of the community, there were 200 or 300 more East Berliners of Jewish ancestry, including Mr. Gysi, who felt enough sense of belonging to attend cultural events held by the community in its small quarters on Oranienburgerstrasse.

Quayle Eases Criticism Of Gorbachev's Efforts

By Nick Ravo

New York Times Service

NEW YORK — Vice President Dan Quayle has tempered some of the skepticism he voiced last week about Mikhail S. Gorbachev's revisions, saying that most of his dissatisfaction concerns Moscow's influence in Latin America.

Mr. Quayle, speaking Sunday at a news conference in New York, also said that, despite speculation to the contrary, he had not criticized Mr. Gorbachev solely to appease hard-line conservatives in the United States by trying to balance

President George Bush's warm words about the Soviet leader.

"Let me try to put to rest once and for all," Mr. Quayle said. "There is no good cop-bad cop strategy — period."

Mr. Quayle said that in an interview published last week in The Washington Post, he was expressing "our concerns primarily in Central America."

"And we do have some concerns in Central America," he added.

Before his speech Sunday, Mr. Quayle accepted an honorary degree at Yale University's Annual Harkness Convocation Dinner.

Later, he addressed about 1,200 Jewish survivors of the Holocaust and their families at the Remembrance Award Dinner sponsored by the Israel Bond Organization.

In speeches before both groups, the vice president called for the Soviet Union to help the United States and Israel persuade the United Nations General Assembly to rescind its resolution equating Zionism with racism.

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WORLD BRIEFS

Hong Kong Begins Repatriations

HONG KONG (AP) — A jet carrying 51 Vietnamese refugees took off Tuesday in the first repatriation of Vietnamese against their will. The Cathay Pacific jet took off just after 5 A.M., two hours after riot police entered a detention center to take the Vietnamese to the airport under tight security and the cover of darkness.

"Repatriation has taken place," said a government spokeswoman. "Everything went smoothly." The plane carried eight Vietnamese men, 17 women and 26 children, the spokeswoman said. Security agents thought to number more than the refugees also were on board. Hong Kong's refugee camps hold about 57,000 Vietnamese refugees.

Some of the Vietnamese screamed for help from the windows as the operation began at 3 A.M. Others held signs through the metal bars that said: "Where is your humanity?" They were quickly pulled away by the police. "I don't want to go back to Vietnam," shouted one woman in broken Cantonese, the language of this British colony, as she waved her hands in despair.

Balts' Vote Appears to Boost Radicals

TALLINN, U.S.S.R. (Reuters) — Radical groups in Estonia and Latvia demanding a return to the Baltic republics' prewar independence appear likely to have substantially gained from last weekend's local elections.

Preliminary results on Monday in the Estonian capital, Tallinn, showed that a 12-member radical alliance had picked up 18 of the 80 city council seats after preference votes were counted and was likely to win at least 40 when the final tally was calculated. Among the 18 was a member of the environmentalist party. The complex preferential voting system means the full outcome will not be known for several days.

In Latvia, television reports and projections said candidates backed by the radical Popular Front, whose official platform includes independence from Moscow, seemed likely to take more than 60 percent of the vote.

Bombs Rock Corsica Holiday Village

AIACCIO, France (Reuters) — Hooded gunmen blew up about 40 homes on Monday at a holiday village being built on the Mediterranean island of Corsica, French police said. They reported that one-third of the buildings were gutted in the predawn explosions but that no one was hurt. Armed men, believed to be members of a separatist guerrilla group, held a security guard and his family at gunpoint while they planted explosives in a complex of 120 homes being built near the northwest port of Calvi.

There was no immediate claim of responsibility, but slogans of the outlawed Corsican National Liberation Front, which opposes foreign investment in Corsica, were daubed on walls of the resort. Just over a month ago there was a similar attack at another apartment complex.

Bolivia Extradites Ex-Minister to U.S.

LA PAZ, Bolivia (AP) — Former Interior Minister Luis Arce Gómez was flown to Miami on Monday to face U.S. drug trafficking charges. Colonel Arce Gómez has been accused of leading a cocaine trafficking operation while he was Bolivia's top law-enforcement official. He also allegedly hired the Nazi war criminal Klaus Barbie to advise his paramilitary forces, which tortured and killed opposition political and labor figures.

A U.S. indictment in Miami charges that Bolivian secret police under his control seized cocaine from traffickers who failed to pay for protection and delivered it to smugglers who did. The indictment also charges that two of his lieutenants once received \$1.5 million for cocaine that was confiscated by Bolivian authorities and stored in bank vaults. The former interior minister personally ordered it released, the indictment says.

France Is Set 'for Worst' in Comoros

PARIS (AP) — Defense Minister Jean-Pierre Chevènement of France said Monday that French troops were not planning to intervene in the Comoros Islands, but that France must prepare "for the worst."

Since President Ahmed Abdallah Abderrahmane's assassination Nov. 26, a force headed by a mercenary, Bob Denard, has been in effective control of the country. French troops are now in the French territories of Réunion and Mayotte, about 120 kilometers (75 miles) southeast of the Comoros in the Indian Ocean, officially to evacuate French citizens from the Comoros if necessary.

"A certain number of powerful means have been put in place to meet any eventuality," Mr. Chevènement said in a speech near Orleans in central France. "You have to prepare for everything, starting with the worst," he said, adding that it was "up to the legitimate authorities of the Comoros to make their position known." The acting president, Said Mohammed Djohar, a Supreme Court judge, has made no public call for French aid to expel Mr. Denard.

China Protests to Oslo on Nobel Prize

BEIJING (Reuters) — China issued a strong protest to Norway on Monday over the awarding of the Nobel Peace Prize to the Dalai Lama, the exiled spiritual leader of Tibet. Beijing called the award a provocation that had damaged Chinese-Norwegian relations.

The Foreign Ministry summoned Jan Holvik, the Norwegian ambassador, to hear a toughly worded attack on his government, which was represented at the Nobel award ceremonies Sunday in Oslo. It said that the attendance of King Olaf V, Prime Minister Jan Syse and other officials "constituted open support" for the Dalai Lama's activities and represented "gross interference in China's internal affairs."

The Nobel Committee chairman, Egil Aarvik, said Sunday that the prize had been given to the Dalai Lama "first and foremost for his consistent resistance to the use of violence in his people's struggle to regain their liberty." The Buddhist leader fled Tibet for India in 1959 after a failed revolt against Chinese rule.

TRAVEL UPDATE

Tourists Face Risks, Philippines Says

MANILA (AP) — The tourism secretary said Monday that it was hard to guarantee the safety of foreigners in the Philippines and that the situation was worse following the recent coup attempt.

"In any situation, whether it is Harlem in New York or a very safe place like Scandinavia, there may be even a few risks that some people take," the official, Peter Gerrocho, said in a radio interview. "What we try to do as a department is, in what we call a 'high tourist traffic area,' we have tourist police that operate there. But these operations are really relatively minor in comparison with the problems that are associated with something like a coup."

More than 1,800 tourists, businessmen and residents were trapped for nearly four days last week when rebels seized 22 buildings in the financial district of Makati. "There are always some risks," Mr. Gerrocho said. "The East and West German national airlines, Interflug and Lufthansa, published a full-page joint advertisement Monday in the Communist Party daily, Neues Deutschland, offering cut-price fares for Christmas travel between the two Germanys."

WEATHER

EUROPE				ASIA			
	HIGH	LOW			HIGH	LOW	
Amsterdam	7	4	F	fr	Bangkok	25	21
Antwerp	7	4	F	fr	Beijing	2	1
Berlin	14	12	F	fr	Calcutta	27	24
Bombay	28	24	F	fr	Chengdu	12	8
Buenos Aires	1	-1	F	fr	Hankow	12	8
Cairo	18	14	F	fr	Harbin	12	8
Canton	28	24	F	fr	Hong Kong	25	21
Cebu	28	24	F	fr	Kobe	12	8
Colon	28	24	F	fr	Manila	25	21
Dacca	28	24	F	fr	Osaka	12	8
Dahomey	28	24	F	fr	Shanghai	12	8
Dakar	28	24	F	fr	Taipei	25	21
Dallas	28	24	F	fr	Tokyo	12	8
Damascus	28	24	F	fr			
Davao	28	24	F	fr			
Dhaka	28	24	F	fr			
Dublin	28	24	F	fr			
Durham	28	24	F	fr			
Düsseldorf	28	24	F	fr			
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Sourabaya	28	24	F	fr			
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Yokohama	28	24	F	fr			

AFRICA				LATIN AMERICA			
	HIGH	LOW			HIGH	LOW	
Algeria	19	14	12	14	Albany	25	21
Cairo	18	14	12	14	Buenos Aires	25	21
Cape Town	19	14	12	14	Caracas	25	21
Chad	19	14	12	14	Colon	25	21
Congo	19	14	12	14	Dakar	25	21
Cote d'Ivoire	19	14	12	14	Guatemala	25	21
Egypt	19	14	12	14	Havana	25	21
Kenya	19	14	12	14	La Paz	25	21
Mali	19	14	12	14	Managua	25	21
Morocco	19	14	12	14	Medan	25	21
Nigeria	19	14	12	14	Montevideo	25	21
Senegal	19	14	12	14	Quito	25	21
South Africa	19	14	12	14	Santiago	25	21
Tanzania	19	14	12	14	Washington	25	21
Zambia	19	14	12	14			
NORTH AMERICA				EUROPE			
	HIGH	LOW			HIGH	LOW	
Albany	25	21	14	14	Amsterdam	7	4
Algeria	19	14	12	14	Antwerp	7	4
Buenos Aires	25	21	14	14	Berlin	14	12
Caracas	25	21	14	14	Bombay	28	24
Colon	25	21	14	14	Buenos Aires	1	-1
Dakar	25	21	14	14	Cairo	18	14
Guatemala	25	21	14	14	Canton	28	24
Havana	25	21	14	14	Cebu	28	24
La Paz	25	21	14	14	Colon	28	24
Managua	25	21	14	14	Dacca	28	24
Medan	25	21	14	14	Dahomey	28	24
Montevideo	25	21	14	14	Dakar	28	24
Quito	25	21	14	14	Dallas	28	24
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					Shanghai	28	24
					Singapore	28	24
					Sourabaya	28	24
					Taipei	28	24
					Tokyo	28	24
					Yokohama	28	24
EUROPE				ASIA			
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Amsterdam	7	4	F	fr	Bangkok	25	21
Antwerp	7	4	F	fr	Beijing	2	1
Berlin	14	12	F	fr	Calcutta	27	24
Bombay	28	24	F	fr	Chengdu	12	8
Buenos Aires	1	-1	F	fr	Hankow	12	8
Cairo	18	14	F	fr	Harbin	12	8
Canton	28	24	F	fr	Hong Kong	25	21
Cebu	28	24	F	fr	Kobe	12	8
Colon	28	24	F	fr	Manila	25	21
Dacca	28	24	F	fr	Osaka	12	8
Dahomey	28	24	F	fr	Shanghai	12	8
Dakar	28	24	F	fr	Taipei	25	21
Dallas	28	24	F	fr	Tokyo	12	8
Damascus	28	24	F	fr			
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Tokyo	28	24	F	fr			
Yokohama	28	24	F	fr			
AFRICA				LATIN AMERICA			
	HIGH	LOW			HIGH	LOW	
Algeria	19	14	12	14	Albany	25	21
Cairo	18	14	12	14	Buenos Aires	25	21
Cape Town	19	14	12	14	Caracas	25	21
Chad	19	14	12	14	Colon	25	21
Congo	19	14	12	14	Dakar	25	21
Cote d'Ivoire	19	14	12	14	Guatemala	25	21
Egypt	19	14	12	14	Havana	25	21
Kenya	19	14	12	14	La Paz	25	21
Mali	19	14	12	14	Managua	25	21
Morocco	19	14	12	14	Medan	25	21
Nigeria	19	14	12	14	Montevideo	25	21
Senegal	19	14	12	14	Quito	25	21
South Africa	19	14	12	14	Santiago	25	21
Tanzania	19	14	12	14	Washington	25	21
Zambia	19	14	12	14			
NORTH AMERICA				EUROPE			
	HIGH	LOW			HIGH	LOW	
Albany	25	21	14	14	Amsterdam	7	4
Algeria	19	14	12	14	Antwerp	7	4
Buenos Aires	25	21	14	14	Berlin	14	12
Caracas	25	21	14	14	Bombay	28	24
Colon	25	21	14	14	Buenos Aires	1	-1
Dakar	25	21	14	14	Cairo	18	14
Guatemala	25	21	14	14	Canton	28	24
Havana	25	21	14	14	Cebu	28	24
La Paz	25	21	14	14	Colon	28	24
Managua	25	21	14	14	Dacca	28	24
Medan	25	21	14	14	Dahomey	28	24
Montevideo	25	21	14	14	Dakar	28	24
Quito	25	21	14	14	Dallas	28	24
Santiago	25	21	14	14	Damascus	28	24
Washington	25	21	14	14	Davao	28	24
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EUROPE				ASIA			
	HIGH	LOW			HIGH	LOW	
Amsterdam	7	4	F	fr	Bangkok	25	21
Antwerp	7	4	F	fr	Beijing	2	1
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Munich	28	24	F	fr			
Nairobi	28	24					

U.S. Officials Question Credibility of Witness To El Salvador Killings

By Lindsey Gruson
New York Times Service

SAN SALVADOR — The credibility of a woman who linked the army to the killings of six Jesuit priests is being questioned, officials here say.

The woman, Lucia Barrera de Cerna, implicated the military in a sworn deposition before a Salvadoran magistrate at the Spanish Embassy here. The woman, who was then flown to Miami for her safety, said the gunmen who killed the priests on Nov. 16 wore camouflage uniforms.

President Alfredo Cristiani and officials close to the investigation say the woman failed lie-detector tests conducted by the FBI.

The officials said the woman changed vital elements of her account at least three times.

The officials said Mrs. Barrera de Cerna, a housekeeper at the Jesuit university where the priests were gunned down, failed at least six lie-detector tests administered by FBI specialists at the bureau's offices in Miami.

The FBI was asked to help with the investigation because the killing of the Jesuits led many in the United States to question U.S. aid to El Salvador.

The Reverend Paul S. Tipton, president of the Association of Jesuit Colleges and Universities, said Sunday that a group from the Lawyers Committee for Human Rights had conducted two long interviews with the woman and that the group believes her original deposition.

"They found the witness's testimony completely credible," Father Tipton said in a letter to Secretary of State James A. Baker Jr.

Word that the witness had failed the lie-detector tests led Sunday to

sharp criticism of the United States by senior members of the Roman Catholic Church in El Salvador.

The archbishop of San Salvador accused Washington of brainwashing and blackmailing the woman to cover up the killings.

"She was subjected to an authentic brainwashing and blackmailed with the threat of deportation if she didn't tell the truth," the prelate, Arturo Rivera y Damas, said Sunday.

The dispute is troublesome because the church has great authority in this predominantly Roman Catholic country and because U.S. backing for the all-but-bankrupt government may depend on rapidly identifying the killers, who are widely presumed to be members of the armed forces.

"We think our policy is in danger as long as this case is unresolved," the U.S. ambassador, William G. Walker, said Saturday.

In a statement Sunday, Mr. Walker rejected the church's charges. "We are saddened that the archbishop does not believe the U.S. government and he is in the same quest for truth," he said.

The six priests were taken from their dormitory on the campus of San Salvador's leading university and repeatedly shot at close range.

One official who was present at the polygraph tests said the woman was never pressured or threatened with deportation.



NICARAGUA RIOT — An injured man being helped from the scene of a riot that followed an opposition campaign rally in Masatepe, Nicaragua. Foreign observers blamed the unrest on Sandinista provocateurs. A person was killed and 20 hurt.

For Chile's Socialists, a Moderate Stance

By Shirley Christian
New York Times Service

SANTIAGO — Jorge Arrate has about him the air of an aging, if well-trimmed, hippie.

It comes partly from his graying beard and choice of a home in a slightly Bohemian art district, but mostly from his words.

"I'm a man of the 60s," he said, "my life marked by the Beatles, by the French students of May 1968 and el Che Guevara." Now 48, Mr. Arrate is the secretary-general of the so-called renewal faction of the Socialist Party.

More important today, in the Chile about to hold its first presidential elections in 19 years, is Mr. Arrate's trajectory away from radicalism since the military overthrow of the government of President Salvador Allende, to which he belonged.

Moderation by him and other Socialists who inflamed the political passions of the late 1960s and early 1970s is a crucial component of the political alliance that forced General Augusto Pinochet to call elections.

Patricio Aylwin, the Christian Democratic leader who is the presidential candidate of the alliance and who was a relentless opponent of Mr. Allende, is gambling that his party and the former Allende followers can overcome the past and manage a democratic transition.

Mr. Allende's government was brought down by the armed forces Sept. 11, 1973, in the midst of chaos marked by property confiscations, shortages and inflation. Mr. Allende died while the palace was being stormed. He was killed by an automatic rifle given to him by Fidel Castro — a suicide, according to his personal surgeon, who was present.

The coup brought executions, shootouts, repression and exile. Liberalization began after a new

constitution was adopted in 1980.

In October last year, General Pinochet exercised one of the options permitted by the constitution and submitted himself to a plebiscite on whether he should be given another eight-year term as president.

Mr. Aylwin put together the 17-party opposition alliance that sent the military ruler down to defeat — by 54.7 percent to 43 percent of the vote — opening the way for this week's election.

He faces two other candidates. One is Hernán Buchi, 40, a former finance minister given much credit for Chile's impressive economic growth and recent stability. The other is Francisco Javier Errázuriz, 47, a leading businessman.

Most polls predict an easy victory for Mr. Aylwin, 71, and even the staffs of the other candidates believe he will finish first. But they hope he will fall short of a majority, which would lead to a runoff.

The Socialists and other parties of the left, after long internal discussion, opted not to offer a candidate to the left of Mr. Aylwin.

The Communist Party, the main partner of the Socialists in the Allende government and still basically loyal to the precepts of pre-revolutionary Moscow, has urged its followers to vote for Mr. Aylwin.

Former political exiles and others see the exile experience as critical in explaining the shift in the thinking of many one-time Allende supporters as well as the willingness of the Christian Democrats to align with them.

One of the arguments, advanced by Erich Schnake, a former Socialist senator who returned two years ago from exile in Spain, was that his party owed the country "some penance" for having been a "principal actor in the crisis we have suffered."

Ricardo Lagos, a leading Socialist figure, who is a candidate for the

A Difficult Session in Costa Rica

Reuters

SAN JOSE, Costa Rica — Central American presidents, meeting for the third time this year, were locked in tough negotiations Monday on how to bring peace to El Salvador and Nicaragua.

"We are still working and today we begin discussing a basic document in which the main themes continue to be the demobilization of the contras and the situation in El Salvador," the Nicaraguan president, Daniel Ortega Saavedra, said as he left his hotel for the second day of the conference.

The presidents asked technical teams from Costa Rica and Guatemala, the two Central American nations least involved in the regional fighting, to draw up a working paper for the discussions.

The Salvadoran president, Alfredo Cristiani, whose government has been severely shaken by a guerrilla offensive in which more than 2,000 combatants died, is seeking a

flat condemnation of the rebels of the Farabundo Martí National Liberation Front, or FMLN.

But the Nicaraguans, with whom El Salvador broke relations last month after accusing them of supplying anti-aircraft missiles to the guerrillas, are holding out against such a declaration. "We are not trying to condemn the FMLN," Mr. Ortega said. "We have to condemn violence, the growth of violence."

■ **Arias Proposes Truce**
William Branigin of The Washington Post reported earlier from Costa Rica:

In an effort to salvage the peace process from what he conceded was its "most difficult moment," President Oscar Arias Sánchez of Costa Rica has proposed a truce in El Salvador from Dec. 12 to Jan. 15 and unilateral cease-fires by the Sandinistas and contras.

He also called for negotiations between the Cristiani government

and the Salvadoran rebels, a resumption of talks between the Ortega government and the contras, and direct participation by Washington and Moscow in new regional peace efforts.

Mr. Arias's proposals for new truces and peace talks appeared to meet with little enthusiasm, however. Salvadoran officials ruled out any unilateral cease-fire by the army and insisted that the rebels "cease hostilities" before any talks begin. They also spurned Soviet participation in the peace process.

Nicaraguan spokesmen rejected a resumption of negotiations with the contras now, arguing that the U.S.-backed rebels are unwilling to demobilize their forces voluntarily.

The Salvadoran rebels called for "an immediate cease-fire in place with international supervision" and simultaneous negotiations on a "definitive" end to the 10-year-long war. The proposal was quickly rejected by the government.

A 13th Journalist Slain in Colombia

United Press International

BOGOTA — A journalist who criticized organized crime was gunned down Sunday at a restaurant in Tuluá, 245 kilometers southwest of the capital, authorities said Monday.

José William Espejo, director of El Tabloide de Tuluá newspaper, recently wrote an editorial criticizing "organized crime." He was the 13th journalist killed this year in Colombia.

Officials also announced that the death toll in the bomb attack Wednesday in Bogotá had risen to 63.

THE FINAL WORD IN VODKA • FINLANDIA

THALASSA

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KOREAN AIR

Herald Tribune

Published With The New York Times and The Washington Post

What's Up With China?

Perhaps the Bush administration has a better explanation of its surprise bow to the Chinese government than just a few months back massacred hundreds of demonstrators in Beijing than that which it was offering on Sunday. We truly hope it does. For what it was offering on Sunday were mainly perfunctory and unconvincing statements that it of course takes human rights violations seriously — statements put in such a way as absolutely to signal their relatively low priority in the administration's hierarchy of concerns — and an utterly misleading suggestion that the only choice for the American government lay between yielding abjectly to an unrepentant Beijing and going back to a sort of pre-recognition breakdown of all relations. This of course is not the choice.

So the questions that cry out to be answered are these: Did the Chinese give something in return for what they got, which was a breach of the administration's pledge that no high-level visits would be undertaken (and presumably that no high-level professions of admiration and solidarity would be made) until the Chinese took steps to undo the damage they did in June? Or will it be a limited "show" reciprocity, such as, for example, China's relenting in its torment of a couple of famous victims, while proceeding with its remorseless search for and persecution of those who dared to demonstrate in the name of democratic freedoms?

On its face, the announcement made it look as if Mr. Bush had merely sent his emissaries to China to indicate to the people responsible for the crime that the United States was getting ready to let bygones be bygones. He appeared, in fact, to be all but apologizing to the Chinese government for the American sanctions still in place, and has surely undermined America's ability to argue to friends and allies that they should keep the pressure on China. Last summer Washington said that any improvement in relations would have to depend on a demonstration of greater respect for human rights in China. That is why it is so crucial to find out what, if anything, the Chinese did to demonstrate such respect. The alternative is to concede that after six months the administration is backing down and explaining to the Chinese that it was only kidding.

What a message this would be to send at this moment to the Soviets, and to those Communist hard-liners in Eastern Europe who still command armies and police forces

and must be toying with the option of violently repressing the pro-democracy uprisings there. Until now the United States has given valuable support to the democratic movements in Eastern Europe by letting the world know that armed repression would be immediately answered by broad and exceedingly costly economic sanctions. Does the mission to China add, "But on the other hand, after a few months, maybe not?"

Incredibly, Mr. Bush's emissary, National Security Adviser Brent Scowcroft, is reported to have said to his Chinese hosts in a formal toast at a state dinner in Beijing: "In both our societies there are voices of those who seek to redirect or frustrate our cooperation. We both must take bold measures to overcome these negative forces." Just what does that mean? That the Chinese who massacred the students and the U.S. government that imposed sanctions were merely victims of a misunderstanding and of malevolent prodding from troublemakers in each of their realms? That the Bush administration and the Beijing government that perpetrated the massacre are on the same side in this matter, both having been pushed into their apparent conflict by these "negative forces" at home? In fact the statement sounded exactly like the kind of specious reasoning that General Scowcroft and others have rightly rejected over the years when it came to giving in to the Soviets in pressure politics and negotiations on grounds that the differences at issue were merely the handwork of "Cold Warriors" on both sides.

There haven't been many massacres in America, by the way, raising Chinese protests. The negative forces in China are Communist officials, bitterly anti-American and prepared to shed any amount of blood to preserve the party's power and their own families' interests.

Mr. Bush appears to be bending his policy to meet Chinese demands because the Chinese refuse to bend. The government there remains adamant in its insistence that, first of all, nothing except a politically inspired outbreak of street hooliganism happened in Beijing last June, and that the way it treats its people is nobody's business but its own.

The president should not be making placatory concessions to a repressive and bloodstained Chinese government. Is there a better explanation than the one the public has been given so far?

— THE WASHINGTON POST

Revive Nuclear Power

Nuclear power is not inherently unworkable. It already produces 17 percent of the world's electricity, and 20 percent in the United States. Yet "nuclear," to many Americans, has become a dirty word, almost synonymous with risk, waste, cost and unseen pollution. That image is misleading. The United States cannot afford to wash its hands of an energy option that could prove both competitive and environmentally benign. The nuclear industry is worth reviving.

Technology is the easier part — a new generation of safer, cheaper nuclear power plants is already on the drawing boards. The tough part is changing public attitudes. Many have been disillusioned by the cost overruns of plants like Seabrook, and frightened by calamities like Three Mile Island and Chernobyl. No new power plant has been ordered since 1978. A fully built, \$5.5 billion plant at Shoreham on Long Island, declared safe by federal regulators, has even been prevented from operating by local fears and supine politicians.

But there are compelling reasons to rethink those attitudes. Foremost is the greenhouse effect, the threatened warming of the earth's climate by waste gases like carbon dioxide. The burning of coal, oil, gas and wood contributes to the buildup of this invisible waste. Nuclear-generated electricity does not. And, unlike coal, neither does it create the acid gases that form acid rain.

The present generation of nuclear plants has failed to thrive in the United States; no utility will build another. Yet countries like France, which lack America's energy abundance and freedom to daily, have taken the same American nuclear designs and built safe, efficient plants from which they generate substantial portions of their electricity.

These designs, however, are far from ideal. They are scaled-up versions of the plants designed to propel nuclear submarines. They need elaborate plumbing and safety devices to keep the nuclear core flooded with cooling water in all circumstances. The United States compounded these problems with overcharge

plants, each custom-made for individual utilities. Some utilities were far less capable than others in handling these complex behemoths. Little wonder that construction time stretched from six years to as long as 14 years, driving costs skyward, and that once in operation the plants' generating time and safety margins often proved disappointing.

But that experience cannot reasonably be taken as the last word on nuclear energy. The new plants now being designed put safety first. In the worst possible accident, they will shut themselves down with little or no intervention. The new plants would also be smaller, easier to mass produce and simpler to regulate. The industry asserts that they will be cheaper than coal-fired plants, and says some designs are so safe that off-site insurance will not be necessary. After all the false promises about nuclear energy, no one is going to take such claims on faith, but they surely deserve a fair test.

Even if the new plants can be made safe and efficient, two objections remain. One is that with conservation and new forms of solar energy, there will be no need for nuclear energy. Maybe. But the slight possibility that a nuclear option would be needed is a poor reason for not preparing one.

A second objection is that the issue of nuclear waste is unresolved. But the technical solution — turning the waste into glass bricks that are stored in a geologically stable underground vault — is achievable; what is delaying it is political wrangling over where the waste site should be.

Safe, cost-effective nuclear power plants would be environmentally benign and would offer major insurance against climate warming. Instead of opposing nuclear energy under any terms, environmentalists should be pressing to create the conditions of public acceptability under which the new generation of designs can be born. Energy planners will then be able to choose among nuclear, solar and conservation. Having options almost always beats having none.

— THE NEW YORK TIMES

Other Comment

North Korean Nuclear Bomb?

Washington claims to have a satellite photograph of a nuclear reactor at Yongbyon, some 100 kilometers north of Pyongyang, beside which is being constructed something that may or may not be a reprocessing plant to wrinkle plutonium out of spent nuclear fuel. North Korea, it is now said, could produce an "experimental nuclear device" within five years, and the means to deliver it not long after.

Pyeongyang's reaction was predictable: This was a vicious propaganda lie, aimed at legitimizing the presence of American nuclear weapons in South Korea.

It should not be difficult for Pyongyang to prove it. The mechanisms for verification

are in place. North Korea grudgingly signed the Nuclear Nonproliferation Treaty four years ago this month, at the behest of Moscow, as part of the price for Soviet assistance in construction of a new nuclear power plant. But Pyongyang has yet to fulfill its NPT obligations by signing the convention on safeguards, which provides for the inspection of nuclear facilities. Treaty signatories normally have 18 months in which to do so. North Korea asked for double the grace period, claiming it had not been told of this regulation. The final deadline expired a year ago, and Pyongyang's continuing refusal to abide by the letter and spirit of the NPT casts a dark cloud of suspicion over its motives.

— Asiaweek (Hong Kong)

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Television: Live History, With Leaders Following

By David Webster

WASHINGTON — Eastern Europe is moving toward freedom, and by spreading the hardware of communications and strengthening the institutions of information the West has to ensure that there is no going back. Wisely, Western leaders respond to the rush of history in Eastern Europe with calls for stability, caution, non-provocation and good sense. But the rush of history projected on television will have none of it.

Images dominate our households — a woman with a chisel chips away at the Berlin Wall, and a young man pounds at it with a hammer, and a man on a bicycle rolls along the top of it. The candles of hope are carried, and the crowds in Wenceslas Square give us the thrust of liberty. The statesmen arrive, expressing in the main wonderment and gratitude and some confusion, as the hard and reasonably stable world they have managed for 40 years crumbles.

Westerners see these images and respond, and they want their governments to catch the moment and "do something" to reflect their feelings. The images demand reaction, as history not only happens but is seen to happen instantaneously. America is used to leading in the world, but how does one lead such a phenomenon rather than be tied to its tail? The Malta summit adjusts its agenda as the people press upon it. Leaders play catch-up.

The events in Eastern Europe are themselves partly a product of the same factors.

For years the East has been becoming more porous to television signals from the West, live or on videocassettes.

Direct information has come from Western news transmissions and, perhaps more important, from entertainment and fictional programs. These showed a free and consumer-driven world that, despite its corruptions, has enormous attraction. Programs we take for granted or even regard as beneath us carry real messages to people who have been denied that flawed, vibrant Western world.

The little man who used to appear on East German television correcting the "lies" of West German television is now out of a job. He has been fired. Indeed, West German television schedules are now being printed in East German newspapers.

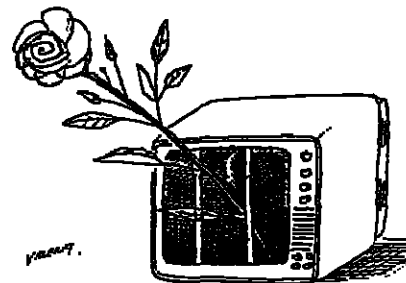
Thus television, one of the builders of the pent-up feelings that drive the change, is also the accelerator. Once oppression weakens, television speeds up the process, both in its internal effects and in the international riot of images moving around the world in an intense electronic exchange.

Television the accelerator may not rule the world, but it does create pressures and expectations, and once change is upon us, television imposes new problems of political management and leadership. The process spins out of

the experience and control of governments — both in the East and West.

It is something we are going to have to learn to live with. Like international electronic currency markets, it is a real revolution, shattering traditional practice and assumptions. And it is going to get worse — or better, depending upon, literally, how you view it.

Television as the instigator of change can bring nations to the point of no return. If modern communications help to make nations free, even more they can make the process difficult to reverse. For that reason we in the West should do all in our power to help Eastern Europe in the technological and institutional essentials of communication. Let's, for instance, re-examine the list of items that in the past, for security reasons, we have wanted to keep out of their hands.



Let's help the people of Eastern Europe be a modern information society with its consequent diffusion of information and therefore of power. Fax machines, television, radio, satellite decoders, personal computers and sophisticated telephone transmission and switching systems, bringing direct dial phones — all of these are now the essential hardware of freedom. So let's hold back only when there is a real and serious problem of security.

And let's help them with the software also, with the computer programs and with the television program deals.

And let's help, if we are able, with thoughtful and realistic advice on the building of the institutions of free communication from scratch. They have little experience of the interaction of government with such institutions. Furthermore, the parameters of television are still unknown — the parameters of tolerance and the balance of freedom and responsibility. For the most part, it is not in their history.

If indeed images and information are helping to make them free, let's ensure there can be no going back.

The writer, a former director of the BBC, is a senior fellow of The Annenberg Washington Program, a public policy institute concerned with communications policy. He contributed this comment to The Washington Post.

The Berlin Wall Now Gets a Chance to Improve Its TV Ratings

By Jim Hoagland

PARIS — If the Berlin Wall had a Hollywood agent, the phone would be ringing, the answering machine rolling and the voice on the other end saying this morning:

"Hey, Wall baby, we got you another shot at the big time. PepsiCo has forked over for a starring spot. But careful, huh? If you go belly up in the ratings again, babe, it will be 'Don't call us, we'll call you-ville,' like forever."

A farfetched image? Consider the events that inspire it.

After "falling," in the view of network executives, to boost U.S. television news ratings, the opening of the Berlin Wall returns for another chance at commercial success on America's small screens this Tuesday night. Pepsi-Cola is scheduled to air commercials shot in Berlin in November, after the wall was breached. With tight editing and theme music, the wall tries for a comeback from commercial failure.

Pepsi's ad makers tried to "blend in" with the news crews that were there, to capture unscripted moments of the joys of freedom, a company spokesman, Ted MacKenzie, had the gall to tell The Associated Press. Quintessence, a fragrance

company, and American Telephone and Telegraph are also airing wall-based sales pitches this month.

America's ability to hustle anything, including instant history, is awe-inspiring. Pepsi's invention of the docu-ad is a natural response of an industry of hustlers and self-promoters to the upheaval in Eastern Europe. Can the docu-rock concert be far behind? In America today, reality serves as the raw material for electronic processing into a blend of fact and fiction to be put on the air in indistinguishable dollops.

Viewers are increasingly unable or unwilling to distinguish between what is real and what is drama on the screen. This has important consequences for America's journalism, its national politics and its relations with the rest of the world. But the consequences go largely unexamined.

Fiction often looks more "realistic" on television than does news footage. Kate Adie, a talented and courageous BBC Television correspondent who was in the small hall that was Tiananmen Square on June 4, has encountered viewers who could not comprehend the nature of

the violence in Beijing because the news film was fuzzy, did not show the impact of bullets on victims in close-up and had odd camera angles.

On "Miami Vice" the camera shows the gun being fired and pans to the bullet hitting the targeted victim, who pirouettes or chokes before finally falling. Around Tiananmen Square, cameramen had to sneak shots in the dark at the risk of their lives. Victims were dragged away as soon as they fell, in much less melodramatic fashion than on television series.

If you think that people really know what happened in Beijing, consider a recent statement by a U.S. official to Jim Mann of the Los Angeles Times. The "prevailing view" in the Bush White House is that American television gave "a selective, unrepresentative portrait" of events in China, the anonymous but authoritative official said. The official may simply be trying to justify the unwise and unfeeling China policy that President Bush wants to pursue anyway. But that attempted justification depends on people's willingness not to believe, or to forget what they saw.

How else to explain the secret voyage to Beijing last weekend of Bush aides Brent Scowcroft and Lawrence Eagleburger to apologize for having been slightly critical of the Beijing massacre? Messrs. Scowcroft and Eagleburger are honorable men. They could not claim to believe what they saw last June and still act as they did this past weekend.

Television no longer reflects American life. Television shapes it. "Miami Vice" becomes a hit show, and a political war on drugs follows a few seasons later. The president, his drug czar and all on Capitol Hill posture for the cameras. A drug buy near the White House is staged to give Mr. Bush a line in a televised speech. To figure out the political leaders and issues of tomorrow, look at what sells in television drama today.

Professor Neil Postman of New York University compares the effect of television on America's social environment to a drop of red dye in a beaker of water. "You don't end up with clear water and a spot of red dye. Every molecule changes its coloration," Mr. Postman has said. Everything that goes on television becomes a form of entertainment.

Politicians and journalists become performers. "You don't have America and television, you have America changed by television."

Then there is that curious contrast between George Bush's macho television responses to conflict in Central America (he compares opponents to animals and rhetorically liberates hotels surrounded by guerrillas) and his comatose responses on the Berlin Wall and change in Eastern Europe.

Central America is probably a television issue for Mr. Bush, one that exists predominantly for political effect. His public utterances resemble the comic-strip dialogue of his ex-boss Ronald Reagan. But Mr. Bush has studied Europe seriously. For him the opening of the wall is grand history, grand politics and serious (and dangerous) business all at the same time. He cannot take a step back to the show business space that Mr. Reagan permanently occupied, where Eastern Europe can be reduced to a slogan or a sound bite.

Tonight, Pepsi will go Mr. Reagan one better, and turn the wall into a jingle for the holidays. Erich Honecker's disgrace is complete.

The Washington Post

Israelis, Palestinians: The PLO Ought to Accept Shamir's Offer

By Anthony Lewis

BOSTON — The dazzling events in Eastern Europe have aroused another long-forgotten hope. If freedom can beat the odds in Poland and East Germany, is there not a chance for peace between Israel and the Palestinians?

There is undoubtedly a new mood of possibility in the world, a sense that it is time to settle old quarrels. Even the intractable conflict in South Africa may be moving toward a negotiating table.

But to look at that example is to realize how far the Israeli-Palestinian conflict is from resolution.

The South African government for decades painted the principal anti-apartheid movement, the African National Congress, as Communist terrorists. But lately some ANC prisoners have been released, mass meetings that amounted to ANC rallies have been held without police interference and important African figures have met ANC leaders. The beginnings of trust are growing; the feeling that negotiation is possible.

Israel's government, by contrast, continues to treat the PLO as nothing but a terrorist movement. For Israel to meet PLO leaders is a criminal offense; Abie Nathan, a peace activist, is in prison for that crime.

The government insists that the PLO can have nothing to do with any peace talks, although it manifestly speaks for most Palestinians.

In short, there is no trust.

After decades of Israel's struggle to survive under Arab pressure and attack, and after all the terrible centuries of Jewish history, there is skepticism of Palestinian willingness to make peace and keep it. The change in the mainstream PLO position, the declared willingness to live in peace with Israel, has hardly dent that skepticism.

Fantasy is another obstacle to peace. For a long time Palestinians had the fantasy that they could destroy Israel. Now the dominant right-wing element in Israel's coalition government bases its policy on the fantasy that Israel can occupy the West Bank and Gaza forever, denying fundamental rights to the Palestinian inhabitants without seriously damaging itself.

If there is a way past those profound difficulties, it must begin with realism. The duty of those who want Israel and Palestinians to live in security and peace is to remind both sides of reality.

An important contribution of that kind is an article in the current issue of Foreign Affairs by Professor Amos Perlmutter of American University, a longtime supporter of Israel, and a biographer of Menachem Begin. Israel's liberal culture, he writes, "is threatened by the state's

continuing role as an occupier of a foreign people." The Palestine problem menaces Israel's internal unity as well as its external security.

Mr. Perlmutter lists ground rules for Israeli-Palestinian negotiations. First, the way must be prepared by "gradual diminution of bitterness" between the parties. "Confidence-building measures must precede final decisions for both." The election of Palestinian representatives to negotiate with Israel would be an important boost to mutual confidence.

That is why Prime Minister Yitzhak Shamir's proposal for an election in the West Bank, despite all the delay and evasion around it, is right — and why I believe the PLO should

accept the election even though it is denied the role it feels it deserves.

Palestinians in the West Bank and Gaza must be reassured, Mr. Perlmutter says, that in negotiations "they will be achieving freedom in their territory and eventually the mastery of it." He continues: "That resolution must lead in the direction of statehood. There is no other way to stabilize Israeli-Palestinian relations."

On the other hand, negotiations must be premised on the understanding that the outcome "does not constitute an existential danger to Israel." Palestinian statehood "must be achieved only in strict conformity with Israeli security."

Israel's basic commitment, Mr. Perlmutter says, must be "to the principle of military, political and psy-

chological withdrawal from Palestinian territory. Without that, a peace settlement cannot succeed."

That will be an extremely hard commitment to obtain — but in the end one that is essential to Israel, Mr. Perlmutter argues. For a resolution of the Palestinian conflict would deprive the rest of the Arab world of that rallying cry.

It would help restore the wholeness of Israel's own society. He concludes: "A troubled Israeli society, politically divided, in search of necessary security, must unburden itself of the millstone of occupation and regain the moral high ground — the historic domain in international politics where the nation's founders consciously meant Israel always to be."

The New York Times

'While All Over Our Planet the Walls Crumble'

By Abe Nathan

TEL AVIV — The 60th day of my imprisonment recently passed. I am in prison because I dared to challenge the law that prohibits Israelis from contacting members of the Palestine Liberation Organization. I met with Yasser Arafat not once but several times. The PLO is considered by my government to be a terrorist organization, one that kills women and children, kidnaps civilians, hijacks planes and wants to take over Tel Aviv, Haifa, Jerusalem, and destroy Israel and get rid of all the Jews.

That is what some leaders of the government of Israel tell us night and day, for breakfast, lunch and dinner. There is no argument with one who says that the PLO bombed women and children, that it hijacked planes, that some may still dream of returning to Jaffa. But at the same time there is no doubt in all the nations of the world that the PLO has changed and is trying to reach a political settlement.

For years Israelis have been told that they have no one to talk with. And now that the PLO has, on several occasions, announced its willingness to talk, it has been rebuffed. Why? We are told that the PLO are murderers, yet it was so easy to talk to the Germans soon after the war. While the pain and the memories of those who survived the Holocaust were still fresh, we welcomed the first German ambassador. Could it be because we

received the never-ending reparations?

Maybe the Palestinians need to pay us reparations for the lands that they lost, for the homes that I bombed in 1948, for the more than 12,000 dead since then? Is there a price they need to pay in order that we may talk to them? Let it be known. We are both paying a heavy price because of the lack of dialogue.

While all over our planet the walls crumble at the cry for freedom and justice, the walls between the Israelis and the Palestinians grow higher. And as the barriers of fear and frustration, hate and suspicion increase, so does the suffering of both our peoples. It might take generations to heal the wounds, unless the government can have the courage and the vision of a peaceful future to replace the stubborn stand of refusing to talk to the enemy.

The writer, a peace activist, wrote this comment in prison and contributed it to the International Herald Tribune.

Chile: Civilian Justice Needs Help

By Cynthia Brown

NEW YORK — On Thursday, Chileans will finally go to the polls after 16 years of military rule.

As a top priority, the government they elect will have to come to terms with the state violence of the recent past. We know about the pattern of torture, some of the disappearances and executions, and the thousands of cases of exile. But the names of those responsible for specific crimes are still largely unknown, for few cases are prosecuted and, when they are, military courts routinely close them without vigorous investigation.

Because President Augusto Pinochet intends to continue as army chief and opposes any accounting for past abuses, the new government will need much national and international support if it is to achieve truth and justice.

Chileans are passionately concerned about the issue. A three-volume expose of the regime's human rights crimes, "Chile: The Forbidden Memory," sold well in the country after its publication in October.

Written by seven human rights activists, the book has its own story. The authors met secretly for five years. They distilled documents, interviewed survivors, sought information from sympathetic military personnel and hid their manuscript.

One of their group was assassinated in 1985, but the project continued. Under political conditions which have relaxed only very recently, the authors ran a consider-

able personal risk, for they had no protection and could count on none if their project was discovered.

Other valuable books have been written about single cases of the abuse of human rights, but this new work makes it possible to analyze the pattern of repression, naming names and tracing authoritarian logic to its sources.

But such private efforts are not enough. In country after country, healing and reconstruction have been incomplete where government has not taken a hand in the process and given it legitimacy.

In Brazil, a secret team in the São Paulo archdiocese compiled an archive on the abuses during the 20 years of military rule. There was no government action, and the old structure of repression is now manifest in lockups and prisons.

In Uruguay, the only accounting for abuses during the 1973-1985 military regime was a book by a human rights organization, and there were no trials, with the result that civilian politicians cannot curb the military or police. Three deaths in police custody caused a scandal earlier this year. Military and police higher-ups defended those responsible, and the Interior Ministry barely objected.

Equally troubling is the case of Argentina, where the Menem government is giving pardons to con-

victed violators of human rights and those same criminals are attempting to rewrite the history of the "dirty war" in which they caused at least 9,000 citizens to "disappear."

But not only these countries' governments are responsible; the international community, in particular the United States government, could take a stronger stand on the issue of truth and justice.

In Argentina and Uruguay, the Reagan administration first supported military governments and then, after elections, was more interested in maintaining relations with the military than in seeing that victims obtained redress, legal institutions and norms were fortified and the society cleansed of its wounds. This is a recipe for instability; without strong civilian institutions and respect for law, society continues to live under threat of military dominance.

Chile's case offers a chance to defend higher ground. Washington should send clear signals of support for civilian authority, and specifically for a democratic government's human rights initiatives, including those which involve clarification of past crimes and the seeking of redress. At a time of delicate civil-military relations, such gestures — or their absence — can mean a lot.

The writer is deputy director of Americas Watch and has written extensively on Chile. She contributed this comment to the International Herald Tribune.

100, 75 AND 50 YEARS AGO

1899: Close West Point?

PARIS — General Wallace's plan for abolishing West Point, except as a place where young soldiers who, with commissions, can take a one year's course of study, is avowedly designed to democratize the army. It was not infrequently the opinion of officers who obtained commission during the Civil War without having passed through West Point, that the Academy was more than useless; and profound Statesmen like Mr. Wendell Phillips and the Rev. George B. Cheever were of the opinion that no West Pointer could be either a good general or a true patriot.

1914: No Tin Soldiers

PARIS — The German Government has ordered manufacturers of tin and lead soldiers and other toys made of lead to cease producing them in order to save the lead for the Army. Hundreds of tons of German tin soldiers are being melted down for bullets.

1939: For Finland's Sake

GENEVA — In a short telegram to Moscow, the League of Nations called on the Soviet government to halt [Dec.

Crowning Fashion: Alexandre's World Of Haute Coiffure

PARIS — Alexandre is the king of coiffure. He has dressed the crowning glory of Queen Sirikit of Thailand, Queen Noor of Jordan, Princess Grace of Monaco and the Begum Aga Khan, whose hair he first fixed above her diamond-encrusted gown on her wedding day in 1946.

"All my princesses," says Alexandre proprietorially, remembering the velvet-dark night at Persepolis, when royalty of 30 nations passed under his nimble fingers at the banquet given by the doomed Shah of Iran. Alexandre, born in St. Tropez 67 years ago, has a warm personality and a sunshine smile. He has won loyal hearts as well as

SUZY MENKES

heads. The Duchess of Windsor plucked him from Mediterranean obscurity and launched him in Paris — even though he shocked the Duke by turning up at the Windsor villa in shorts and open-necked shirt. (The butler lent him a suit and tie). He dressed the Duchess's hair every night for 30 years and she kept on her dressing table the airy, romantic sketch he dedicated to her.

His dearest client is Elizabeth Taylor. A series of poignant archive photographs show crimped and star conspiring at creation: Liz like a virgin bride in tumbling ribbons and bows for one of her marriages to Richard Burton; Liz with her hair rising in a Cleopatra cone; Liz with feathery fronds framing her heart-shaped face after Alexandre had chopped her waist-length hair. "I had knots in my stomach at the thought that I was cutting her hair on the orders of Mike Todd to create a new image for her across three continents," he says.

Five thousand brides have gone to the altar with hair dressed by Alexandre: Diane of France; Sophie of Yugoslavia; Anne-Marie of Greece, with hair looped in silken carphoons round a baby face; Ira Furstenberg, marrying her prince at the age of 15. Alexandre gave her bridal coiffure one last, lingering look — and fell with a splash into the Venetian canal.

Brides royal or humble can now buy for themselves Alexandre's accoutrements. This fall, he opened his first boutique on the Rue St. Honoré in Paris, where the three-floor store offers everything from a sturdy professional brush, bristling like a porcupine, to neat aspe-of-the-neck hair bows in velvet or suede, decorative hair combs, wedding veils and bandeaux, and a

range of exclusive embroidered accessories made in association with *maitre brodeur* François Lesage. Bags have now been added to Alexandre's repertoire, which already includes toiletry travel bags, pochettes and sunglasses. The accessories, distributed by Soustiel under the Alexandre de Paris label since 1971, have an annual turnover of 40 million francs (\$6.6 million).

The logo above the blond stone façade of the new store is of a well-coiffed sphinx, drawn by Jean Cocteau — a good friend and client for 30 years. "Cocteau lined up with my ladies under the dryer like a chicken is one of my memories," says Alexandre.

CLIENTS have invited him into their boudoirs and to their dining tables, and have sent for him by ocean liner and Concorde across the world. But Alexandre's heart is in his salon off the Champs Elysées.

Although he speaks of working women — "doctors, lawyers and journalists" — who come to have their hair done, his world is one of haute coiffure and haute couture. His most vivid memories are of dances through the decades — the de Beistegui ball in Venice, Jacques Fath's Bal Bland, the magnificent soirées given by Marie-Hélène de Rothschild or the Baron de Redé, and the great ball of the century in Monaco, where he and 12 assistants coiffed 100.

"Historically, my success was to relaunch the fashion for fancy hair after the war," he says. "I showed a new generation of young girls how to wear a chignon." One of those whose hair was deliciously dressed up was Jacqueline Kennedy on her 1961 visit to Paris, when Alexandre slipped a false piece under her simple bouffant hairstyle and turned an assortment of diamond pins into a makeshift diadem for a gala at Versailles.

The hairdresser also works alongside couturiers — Balmain, Chanel, Givenchy, Lacroix, Scherrer, Ungaro — to express their fantasies. Hansa Mori has even brought out Alexandre to take a bow. He has worked regularly with Yves Saint Laurent, and explains how, for the last collection, the couturier dreamed of Rita Hayworth and asked for curtains of shining hair that would swing to express "sensual love." Each designer, says Alexandre, is different. "Karl Lagerfeld is a magician, bubbling like champagne, with his three different collections at once," says Alexandre. "I am there in the middle while Karl, with a piece of paper and black organza, shows me his dreams."

Lagerfeld says of Alexandre: "He has the enthusiasm of an 18-year-old and he is a real artisan, so quick and willing. He has magic fingers."

Christian Lacroix, whose exaggerated chignons in the early collections helped to establish an image for the house, draws each hairstyle precisely.

"Then I have to realize it, to work out technically how it can be done," says Alexandre, who has created horcs of plenty out of hair and a beehive fluttering with butterflies for a wedding gown. "Christian Lacroix is very erudite, he draws inspiration from the past, and envisages periods that he has never lived through."

Alexandre's own research includes visits

to museums and studying the past, from African sculptures, to creations from 15th-century China, ancient Persia or folklore.

He has his own private collection that is currently on loan to the Maison des Nations Intercoiffure in Paris. Treasures include a lock of hair that a king of France received from his mistress, saucy postcards of *grandes horizontales* with vertical coiffures, formal portraits of England's Queen Alexandra and cartoons of 18th-century bewigged excess.

"I myself have always been careful not to make a woman look ridiculous," says Alexandre. "You have to understand how to dose your creativity. Women are often frightened by the hairdresser. But he should love women and be their friend and accomplice."



Creations by Alexandre de Paris: At left, an upsweep chignon for Christian Lacroix using brightly colored false hair-piece; geometric chop for Lagerfeld; sculpted elegance for Chanel's spring/summer 1990 ready-to-wear (original sketch, inset); Alexandre working with Liz Taylor in 1967.



Bergère to Lanvin

PARIS — Eric Bergère, 29, has been chosen to design the ready-to-wear for Lanvin, to complement the couture collections by Claude Montana. The final decision was made Thursday and will take effect from the next prêt-à-porter Paris season in March.

Bergère became designer for Hermès at the precocious age of 19, after taking his baccalaureat in industrial fashion and studying two years at the Paris fashion school Esmod. Two years ago he left Hermès and worked with Erreuno in Italy, as

well as designing for a Japanese company. "I am above all thrilled to be back in Paris and to have signed up with such an important French house," says Bergère, who is otherwise keeping mum until the official announcement is made.

Also contributing to Lanvin's new image will be Adeline André, who will produce a knitwear line of around 30 pieces. "I am interested in a woman designer in the image of Lanvin," she says. "In those early years, it was a struggle, fluid and light."

STYLE MAKERS

Joe Anna Arnett
PAINTER

LONDON — Take 10 ounces of linseed oil and heat it in an enamel pot. When dark smoke rises, dissolve into the hot oil a half-ounce of lead. Next, add five ounces of mastic crystals (little crystals of varnish), stirring with a wooden spoon. When the mixture cools, stir in 10 ounces of turpentine and strain the melange, which will congeal overnight. A squeeze of it looks like glistening amber.

The recipe is not a lethal dose for a Borgia cocktail. This is Santa Fe painter Joe Anna Arnett's favorite gel, called *maroger*, borrowed from art historian Jacques Maroger's research into 17th-century Old Master techniques and mediums — similar to that of Rubens. She mixes a small dab of *maroger* with her Belgian paints to change the consistency and make the paint more pliable. The small quantity of varnish in the gel transmits a tantalizing glow, a surprising transparency to her chiaroscuro still-lives (now being exhibited in a complementary, dual show with her husband Jim Asher's watercolors at Hampstead's Catto Gallery, until Dec. 19). Arnett's canvases have the same luminous, warm-shadow/cool-light quality and the same natural ebullience we associate with 17th-century Dutch painting.

This thoughtful Texas-born lady was, a decade ago, senior art director for Young & Rubicam in New York. The razzmatazz of advertising could not be more remote from her canvas gems of graceful lilacs or roses in a Persian vase. But advertising was a necessity, a way to make a living as an artist. "The further you go up the chain-of-command though, the further away you get from the drawing board," she says. One night, working on the fast and facile story-book drawing required for an ad assignment, Joe Anna tested herself to see if she still possessed her drawing technique. It was the horror of finding it dormant that sent her back part-time



Joe Anna Arnett

to New York City's Art Student's League and eventually to trade off — with gratitude and trepidation — the hyped adrenalin of a big advertising directorship for the hazardous career of a painter. It was difficult to make such a transformation, and only the conviction that painting was her real life carried her through. (She's been vindicated by the warm responses of English critics like Alistair Hicks, who characterizes her "rich textural canvases" as "narrative pieces" of "rare joy," and by Americans like Segue Smith, who describes her as "an artist so technically astute that each stroke celebrates the rich nuances of life.")

At first she went to Santa Fe, New Mexico. It was an ideal choice for a "big city" person switching careers — a known southwestern town with light as brilliant as southern France. Just as important, 10 percent of the population is involved in art, in one way or another, a hospitable atmosphere. "If an artist goes to a bank in Santa Fe and says, 'I want to open an account,' they're happy," says

Joe Ann. "In my native Texas, if I write 'artist' as my profession on some application, the manager asks, 'What does your husband do?'"

What Joe Anna's husband does is watercolors — meticulous, intimate, evocative watercolors. And similarly, he was art director for the ad agency Batten, Bason, Durstine and Osborn in Los Angeles before moving to Santa Fe, where he met Joe Ann. Sharing a spacious studio, the critique for each other only by avocation — not, "Do you like it?" but "I'm thinking of putting more light in the foreground, what do you think?" And they have worked out a reciprocal ego massage: after shows he is Mr. Arnett; at his, she is Mrs. Arnett. It works.

JOE Anna loves transparent and opaque pigment, contrasting values and color complements, like the yellow iris purposely added to bunches of purple lilac, which makes the whole composition vibrate and sizzle. In "Onions and Brass Bowl," the red onions and stock tube foreground reverberate in a soft version on the cool, hard surface of the gleaming brass. I suggested that there might be a connection between using the 17th-century *maroger* and her own 17th-century style, but she dismissed this as sheer coincidence. Still, life from her own garden ("Everything grows in Santa Fe"), crabapples and cabbages, peonies and hollyhocks carelessly, so precisely carelessly, juxtaposed with an old basket or coppering — that's always been the satisfying mix.

Neither Joe Anna nor Jim is prolific or as yet, hugely famous, but neither are they the struggling artists of romantic fiction. This is a team, each passionately attached to a way of working, respectful of the other's choice and confident of his own, and something else, too. "Having been in advertising," Joe Anna used, "you know that basically you're a small manufacturer and what's necessary is a consistently magnificent product. Then you have to know how to market it. It's just good old-fashioned marketing sense." Rubens might have done even better if he had known that.

Claire Frankel

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U.S. Health Service Is Said to Be Censoring Abortion Information

By Michael Specter

WASHINGTON — The U.S. Public Health Service has censored information on the health consequences of abortion, has punished federal scientists whose research conflicts with administration policy and is "severely" restricting research on the issue, according to a congressional report.

The report, prepared by the House Committee on Government Operations' subcommittee on human resources and intergovernmental relations, also criticizes Dr. C. Everett Koop, the former surgeon-general, for withholding in January a study on the medical and psychological impact of abortion.

Dr. Koop said at the time, and again over the weekend, that he had declined to issue the report because it was based on flawed studies.

The subcommittee report made public Sunday, cited evidence obtained by the Centers for Disease Control in Atlanta that adverse medical effects of abortion were rare. It charged that officials at the facility had been "censored" and demoted for publishing on the subject.

The report questions the ability of federal scientists to participate in research on family planning issues.

Former President Ronald Reagan and President George Bush have supported efforts to curtail legalized abortion. Throughout the 1980s, abortion research at the Centers for Disease Control has been curtailed. Federal support of research using fetal tissue, in vitro fertilization and the abortion pill RU-486 have been proscribed.

"Abortion is one of the most controversial medical procedures in the United States today," the report stated. "And yet the Department of Health and Human Services restricts all scientific research which could lead to improved safety, or which could compare physical and mental health effects of abortion with the effects of other available alternatives."

The subcommittee's chairman, Ted Weiss, Democrat of New York, said, "How dare the government censor people's research and study and turn its back on vital medical information?"

The report said the White House officials had insisted in 1983 that Willard Cates Jr., then chief of the Reproductive Health Division at the Centers for Disease Control because he was perceived by White House advisers to be in favor of abortion rights. He was demoted and transferred, although he later became head of the division of sexually transmitted diseases.

Mr. Cates said he could not comment on the report "because it involves me." But past and present officials at the Centers for Disease Control have confirmed that the incident took place and that the agency is prohibited from pursuing much of the research on abortion it began in the 1970s.

The subcommittee report said that researchers at the Centers for Disease Control have almost stopped publishing articles on abortion, and added that when they do publish, the work is "merely statistical information."

David Grimes, former director of the abortion surveillance branch at the Atlanta facility, said: "There

are no subtle nuances here. Cates was demoted for producing scientific facts about one of the most common operations in the United States."

Mr. Grimes, now a professor of obstetrics at the University of Southern California Medical Center, said that he resigned from the Centers for Disease Control after two articles he wrote about abortion were censored.

The Koop letter to Mr. Reagan in January created enormous controversy. Because Dr. Koop was one of the nation's most famous and respected opponents of abortion, White House officials had hoped he would produce a report that supported their view that the operation was damaging physically and mentally.

"I didn't release the report," Dr. Koop said Sunday, "because I didn't think it was proper to release a report that had no substance to it. It would have raised expectations of some and aroused ire of others. It could have been torn apart scientifically and statistically by anyone with a proper background."

As it was, the letter was used by abortion rights activists to argue that abortions do not cause undue distress in most cases, and by anti-abortion leaders to suggest that there were serious psychological consequences to having an abortion.



A FALL-DOWN PROTEST — A priest, giving communion Sunday at St. Patrick's Cathedral in New York, had to step over a protester who fell to the floor in front of him. Two groups were protesting the Roman Catholic stances on AIDS and abortion.

Poindexter Defense Centers on Reagan

By David Johnston

WASHINGTON — As the Iran-contra trial of Rear Admiral John M. Poindexter nears, it is clear that the former national security adviser is adopting a defense strategy that portrays Ronald Reagan as a knowing and active participant, not the disengaged president depicted by Admiral Poindexter in his testimony before Congress.

In his appearance before the Iran-contra congressional investigating committee in July 1987, Admiral Poindexter said, "I would not lie to the president." But he described Mr. Reagan as a president who maintained a "strategic perspective" and was "not a man for great detail."

Two and half years later, however, Admiral Poindexter's lawyers argue that he routinely and privately received direction from Mr. Reagan on matters that included the sale of arms to Iran and the covert program to support the Nicaraguan rebels, known as contra. These issues are at the heart of the charges against the admiral.

In a recent order, the trial judge, Harold H. Greene of U.S. District Court here, said the defense would try to show that "President Reagan formulated the administration's position for the guidance of Poindexter (and sometimes others)" and that "on other issues, Mr. Reagan allegedly entertained Poindexter's plans without voicing any objection."

Admiral Poindexter is scheduled to go on trial Jan. 22 on five criminal charges, including accusations that he obstructed congressional inquiries and made false statements to Congress about the arms sales and contra aid efforts.

He served as Mr. Reagan's national security adviser from December 1985 until he was reassigned in November 1986, after the

affair was disclosed. He retired from the navy in December 1987. A defense strategy aimed at showing that Mr. Reagan had an active role is dramatically at odds with the belief Admiral Poindexter expressed in his congressional testimony.

"It's always the responsibility of a staff to protect their leader," the admiral said at the time. It also conflicts with Mr. Reagan's statements about his role in the affair.

People who know Admiral Poindexter said he probably found it difficult to plan a defense that threatened the bond of confidentiality and mutual loyalty between a president and an intimate adviser.

But another friend said Admiral Poindexter felt that it was "time for the president to step up" about his knowledge of the affair.

And officials in the office of Lawrence E. Walsh, the independent prosecutor, say the defense may be hoping to block the trial altogether. They fear that the Bush administration will block disclosure of classified documents that could be crucial to Admiral Poindexter's defense, forcing dismissal of some or all of the charges.

But if the case does come to trial, Admiral Poindexter's determination to plumb Mr. Reagan's knowledge of the Iran-contra affair ele-



Rear. Adm. John M. Poindexter

vates the trial's significance beyond the innocence or guilt of the admiral.

It is also likely to be the last concerted assault on the fraying but still intact image of Mr. Reagan as a detached president largely unaware of his subordinates' actions.

Admiral Poindexter's approach represents a high-risk gamble, because it has never been proved that Mr. Reagan authorized illegal acts, despite many inquiries over the last three years. Mr. Reagan has insisted that he knew little about specific actions.

For Times Square, a New Face

But Under the Bright Towers, It's Still Drugs and Dregs

By Don Terry

NEW YORK — On the edges of Times Square, new office towers and hotels are climbing toward the gray winter sky — an image of progress wrapped in glass and steel. But in the neon heart of Times Square, especially along 42d Street between Seventh and Eighth avenues, life and the skyline have been frozen in place as the delay in developing the area goes into its ninth year.

The area, traditionally a hub for everything from the legitimate to the marginal to the outright criminal, remains a gathering spot for runaways and tourists, for longtime shop owners and young immigrants, for theatergoers and security guards, for drug dealers and their customers.

All this is bathed in the blazing lights of huge electronic billboards, movie marquees and book stores that call themselves "adult."

"It's exciting," said Leonard Washington, 14, from the Brownsville section of Brooklyn. "It has a lot of games and cheap movies. You feel protected because there are so many cops around."

But for Marcia Bell, 37, who works in the area as a legal secretary, the bright lights illuminate decay — trash swirling down the street, streams of urine in the doorways, shattered liquor bottles on the sidewalks and legions of hollow-cheeked men, whispering about drugs for sale as police officers stand nearby.

"It's the most disgusting seven minutes of my day," Ms. Bell said, describing her walk along 42d Street from her job to the subway.

"You're always stepping between the drugs and the money."

The pace and face of Times Square could soon change. Work on a \$2.5 billion 42d Street development project — delayed for years by court challenges — may finally begin by the middle of next year, according to the state agency overseeing the program.

"I think we're out of the woods," said Brian K. Kell, a spokesman for the New York State Urban Development Corp. "We think all the significant litigation has been decided."

The project should be largely completed by 1994, nearly 15 years after it was first proposed. Under the plan, four office towers will loom over 42d Street, joining about 15 skyscrapers. The more than 40 adult book stores and peep shows that dot Times Square will be swept away and nine once-grand theaters restored.

By the time the dust settles, 20 buildings will have been demolished and more than 400 businesses displaced.

In the meantime, Times Square remains what it has been for decades, a melting pot that is both enticing and menacing.

Times Square is a crossroads above and below its streets, said William Kornblum, director of the Center for Social Research at the

Graduate Center of the City University of New York.

Mr. Kornblum's graduate students once estimated the pedestrian traffic on 42d Street between Seventh and Eighth avenues to be 3,600 people an hour.

Beneath its streets, five subway lines converge under Times Square, and more than 120,000 people a day hustle through the Times Square subway station.

In 1988, an average of six to seven crimes a day were reported on 42d Street between Seventh and Eighth avenues.

"I think it's probably worse this year," said William H. Daly, director of the mayor's office of midtown enforcement.

"I would hate people to get a one-sided view, that it's all trouble spots," he said. "There has been a lot of progress over the last 14 years. But crack has really complicated our efforts."

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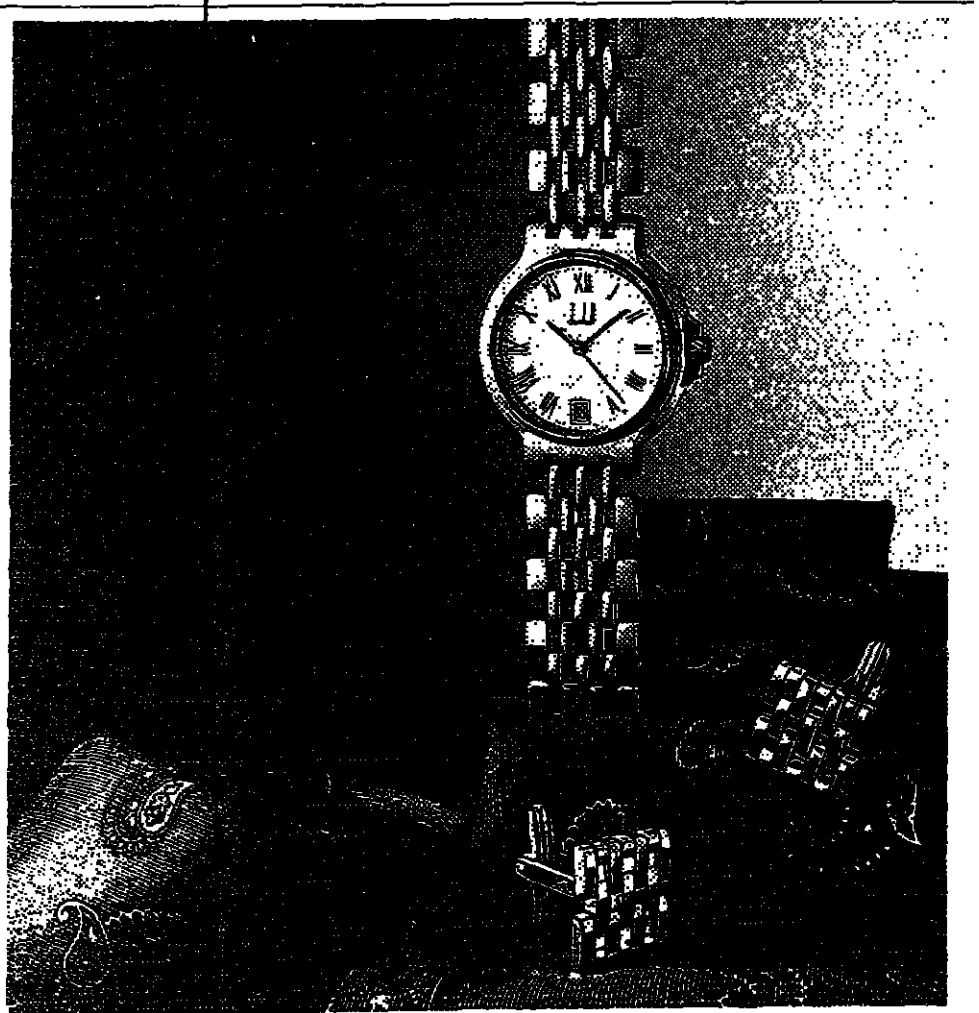
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Manila Cites Danger

Do Not 'Relax,' Aquino Warns

By Keith B. Richburg
Washington Post Service

MANILA — Two days after claiming to have ended a widespread military insurrection here, Philippine government leaders conceded on Monday that an immediate threat still existed, with the possibility that rebel forces and their leaders were regrouping for another attack here or in the provinces. After the coup attempt, in which at least 119 people were killed and 418 wounded, the government also began trying to contain the expected political fallout. New questions arose over why the military's intelligence apparatus failed to predict such a widespread uprising, and how the decision was made to accept U.S. assistance in putting down the revolt.

President Corason C. Aquino said that even though rebel forces surrendered their last strongholds last week in the financial district of Makati and at an international airport in Cebu, "we should not relax too much."

Earlier Monday, Defense Secretary Fidel V. Ramos said that the leaders of the failed revolt may already have established an underground network in the Manila area that could engage in sabotage and terrorism.

He also said he had evidence that one group of rebels was trying to organize an anti-government campaign in the Visayas region and on the southern island of Mindanao.

"There is still a threat," General Ramos said. "But it is a reduced threat. We shall keep it reduced."

He said a continuing Communist threat made it imperative to maintain unity within the military's ranks by, among other things, not punishing too harshly the soldiers who had minor roles in the mutiny.

Aquino Seeks New Powers

Mrs. Aquino said Monday that she had asked Congress for power to search homes and offices for weapons, Reuters reported.

Mrs. Aquino asked for the extra powers to deal with mutineers and rebuild a shattered economy.

"This is not martial law," she said.

She also said that December talks between Manila and Washington on the future of U.S. bases in the Philippines had been postponed for at least a month.



A busy trader at the Manila stock exchange Monday, the first day of trading after the coup attempt.

Constantine, Exiled Greek King, Expresses His Desire to Go Home

New York Times Service

LONDON — Constantine II, King of the Hellenes until the military junta he tried to overthrow abolished the monarchy in June 1973, said in an interview in exile here that he would like to go back to Greece.

He said he would return the way the people wanted him to, in "whatever capacity that happened to be."

Constantine said he was not pushing to make a comeback as king, but wanted, as a Greek patriot, to "help whomever I can" give a politically stalemated country a greater sense of purpose and unity, so that it is not left behind the rest of Europe in the 1990s.

He said he would try to deliver a message to the Greek people through news outlets in Greece, including television and radio, at the end of the year.

"I've kept silent for the last 15, 16 years, and deliberately so," he said in his small office near Grosvenor Square.

But Constantine, 49, said he now wanted to tell the Greek people that it was time to stop rehashing the bitter past and to get on with

the future, perhaps eventually with younger leaders.

From 1981 until elections in June, the Socialist leader, Andreas Papandreu, was prime minister of Greece, but his hold on power was lost through a series of scandals.

Neither the June elections nor a subsequent vote last month produced a clear majority for any party, and a third election in March is likely.

"All Greeks, whether they're living in the country or abroad, are worried about what is happening," he said.

Constantine said he had met frequently over the last decade with Greeks visiting London.

His most recent encounter with politicians from home occurred at a meeting in Puerto Rico in September to discuss Greece's bid to hold the 1996 Olympic Games in Athens, on the centennial of the Olympic movement.

Constantine said that he did not favor any one political party, and that he had talked with the leaders of all the Greek parties, including the Communists, over the years.

He said he was not aiming at a comeback as king.

"How that evolves is very hard to say, and it's not in the back of my mind — that is entirely in the hands of the Greek people," he said.

Constantine dismissed the results of a 1973 referendum on abolishing the monarchy that was conducted by the military regime then in power, as did all the political parties at the time.

He said that in the last referendum, held after democracy was restored in 1974, "we got about 33 percent of the vote."

He said he had been back to Greece only once since he had been forced to leave on Dec. 14, 1967, after supporting a counter-coup that failed against the colonels.

The visit home was in early 1981, for the funeral of Queen Mother Frederika. The visit lasted only six hours.

Now, Constantine said, "If things developed in such a way that I thought it would be constructive and helpful, I would certainly go back, in whatever capacity that happened to be. It is my firm desire not to either create problems or interfere."

—CRAIG WHITNEY

Bush Sought to Break China's Isolation

By David Hoffman

WASHINGTON — President George Bush said Monday that he had sent his national security adviser, Brent Scowcroft, to China because he did not want to see China "totally isolated."

He also said Mr. Scowcroft had elicited a pledge from Beijing not to sell missiles to Middle Eastern nations.

Answering questions from newspaper editorial writers at the White House after receiving a report from Mr. Scowcroft about his weekend mission, Mr. Bush stressed that he had not gone so far as to fully normalize U.S.-Chinese relations, which soured after the killing of hundreds and perhaps thousands of pro-democracy protesters in Beijing in June.

But the president said he was seeking "common ground" on some issues with Chinese leaders.

"I realize the difficulty of this relationship," Mr. Bush said, adding that he hoped to improve it, Mr. Bush, who imposed sanctions against China in June under pressure from Congress after the Chinese Army crushed the movement, noted that the United States had contacts with other countries that have "gregarious records" on human rights.

Mr. Bush said Mr. Scowcroft had discussed with Chinese leaders steps they might take to ease the U.S. sanctions, but he would not specify them.

The president justified the trip on grounds that China has a population of more than a billion and "a position of strategic importance in the world." He expressed hope that the Chinese "would redress some of the grievances" stemming from the events in June.

Mr. Bush, who served as special envoy to Beijing in 1974-75, opened his comments on China by saying he was "very pleased" by the Chinese statement that it would not sell missiles to any Middle Eastern country. Mr. Bush said that the issue was raised by Mr. Scowcroft and that the response was a "very sound development."

But the Chinese have previously issued denials that they are exporting missiles, and made firm assurances to Mr. Bush when he visited China in February. Subsequently, there were new reports that China was to export missiles to Syria.

White House aides said later that Mr. Bush's comment about Beijing pledging not to sell missiles to Middle Eastern countries was a "very serious statement" rather than on any report from Mr. Scowcroft.

Earlier Monday, the White House spokesman, Martin Fitzwater, said Mr. Bush decided to send Mr. Scowcroft and Deputy Secretary of State Lawrence S. Eagleburger to China because of events in Eastern Europe.

Mr. Bush's decision, he said, was "not based on judgments about changes that have taken place in China."

Mr. Fitzwater said that the Bush-imposed sanctions remained in effect. One of those sanctions barred high-level "exchanges" between governments. Since then, however, Secretary of State James A. Baker 3d has held two meetings with the Chinese foreign minister, Qian Qichen.

Mr. Fitzwater said it had "always been the president's intention to restore some dialogue with China."

The spokesman also said that relations had not returned to normal with the Scowcroft visit but that the national security adviser was "exploring" a return to normal.

Criticism in Congress

Congressional leaders continued Monday to accuse Mr. Bush of turning away from America's commitment to human rights by restoring high-level contacts with China, wire services reported.

The Senate Democratic leader, George J. Mitchell of Maine, and the House Democratic leader, Representative Richard A. Gephardt of Missouri, said the Scowcroft mission had come without any movement by the Chinese leadership to allow democratic changes and protect the human rights of its citizens.

Mr. Gephardt and Mr. Mitchell said America could not support political and human rights changes in Eastern Europe and back away from that standard in China.

In Beijing, the official Chinese press played up the visit and quoted Deng Xiaoping and other leaders as saying that the time had come to restore good relations with the United States.

In Tokyo, Japanese Foreign Ministry officials said Tokyo was unlikely to take immediate steps toward improving ties with Beijing, such as resuming financial credits or sending a special envoy.

In another development, it was reported Monday in Beijing that China had started secret trials of students who were active in the pro-democracy movement.

Some workers and unemployed laborers have already been tried. At least two men have been sentenced to death for resisting the troops. (AP, Reuters)

Croatia Pleads for Pluralism

The Associated Press

BELGRADE — The leadership of the Croatian republic called Monday for the first time for the establishment of a multiparty system in Yugoslavia.

In doing so, Stanko Stojicic, head of the Croatian Communist Party's governing Presidium, said that communists had been slow to realize the "historic exhaustion of the single-party system." He was speaking in Zagreb at the opening of a regional party congress.

"There can be no democratic socialism without political pluralism based on the right of association and competition" of political movements, Mr. Stojicic said in a speech carried by the Tanjug news agency.

Slovenia had been the only one of the six constituent republics of Yugoslavia to advocate openly the introduction of Western-style democracy.

About a dozen independent movements and parties have been formed in Slovenia in the past year, and the region plans to hold its first free legislative elections in March.

On Sunday, about 25,000 people in several Croatian cities signed petitions urging the legalization of numerous parties that would make possible the holding of free elections in the republic.

Mr. Stojicic said that the Yugoslav constitution should provide for a political system that would include "parties and movements representing the political interests of citizens."

Multiparty democracy is vehemently opposed by the Communist leadership of Serbia, the country's largest republic. Croatia and some other republics have been noncommittal about it in the past.

Earlier this month, Serbia severed business and official ties with Slovenia, in an apparent move to stifle democratic trends.

Mr. Stojicic denounced the Serbian move, describing its consequences as "dramatic, with a possibly catastrophic outcome."

35 Die in Peru Bus Plunge

The Associated Press

AREQUIPA, Peru — A truck carrying people home from thermal baths in a remote region of the Andes tumbled off a mountain road in southeastern Peru, killing 35 persons, the police said.



Hans Hartung in September in front of a painting in his studio in Antibes on the French Riviera.

Hans Hartung, Painter, Dies

Compiled by Our Staff From Dispatches

ANTIBES, France — Hans Hartung, 85, one of the last survivors of a group that revolutionized 20th century art, died here Thursday.

Regarded as one of the most important abstract artists of the century, Mr. Hartung was grouped with Picasso, Kandinsky, Miró, Klee and Matisse.

In 1960 he was awarded the Grand Prix of the Venice Biennale, where an entire room in the French Pavilion was devoted to his work.

Born in Leipzig, Germany, the son and grandson of physicians, Mr. Hartung was one of the few painters of his day who thought almost from the outset in purely abstract terms.

Initially self-taught as an artist, and reportedly unaware of the existence of earlier abstract painters, he studied philosophy and art history at the University of Leipzig and later attended art schools in Leipzig, Dresden, and Munich.

The basic elements of his pictorial language were apparently formed by the time he was 18.

He evolved further, however, after he attended a lecture by Kandinsky, the Russian abstractionist. In 1928 and in 1929 he became acquainted with modern French painting at an international exhibition in Dresden.

Determined to go his own undogmatic way, he lived first in the Mediterranean, and later in Paris. An adherent throughout his life of a subjective, spontaneous, gestural form of abstraction, he worked mainly in Paris during the 1930s.

After a brush with the Nazi regime in Berlin in 1935, he returned to Paris and volunteered at the outbreak of World War II for the French Foreign Legion.

He lost his right leg in action near Belfort in 1944. Granted French nationality in 1946, he became a leading member of the abstract wing of the School of Paris after 1945.

Because it was his ambition to "act on the canvas," he came to be regarded in Europe as the counterpart of the American abstract expressionists. (Reuters, NYT)

Stanley Steigut, 69, N.Y. Political Leader

NEW YORK (NYT) — Stanley Steigut, 69, a Brooklyn Democrat who was New York state Assembly speaker and a longtime power in state politics, died here Friday.

His elder son, Robert, said he had been suffering from lung cancer and died of pneumonia.

Mr. Steigut was speaker of the Assembly from 1975 through 1978 and minority leader from 1969 through '74. He served in the state Assembly from 1957 through 1978, when he unexpectedly lost his seat. During his Assembly career, he was a member of the joint legislative committee on physical handicap and mental retardation.

Other leaders: Huang Zhen, 80, who headed China's liaison office in the United States before U.S.-China ties were restored in 1979 and later was ambassador to France and a minister of culture Sunday in Beijing.

Stuart Novitsky, 75, a CBS news correspondent for 35 years, Thursday of respiratory failure in Middlebury, Vermont.

Edward J. Houston, 64, Rutgers University president since 1971, Saturday of an apparent heart attack in Nassau, the Bahamas.

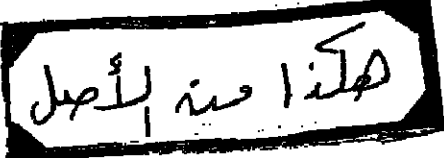
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Recycling Petrodollars in an Era of Peace

The streets of Abu Dhabi, the federal capital of the six emirates, were decorated with thousands of flags, banners and posters of its ruler, HH Sheikh Zayed Bin Sultan Al-Nahyan, who is also president of the United Arab Emirates. The extravaganza not only marked 18 years of federation, but also confirmed the new spirit of confidence sweeping the region following the end of the Gulf War.

Already one of the finest planned cities on the Gulf, with a magnificent corniche shaded with palms and shrubs, Abu Dhabi has now entered a second building boom. Most businessmen agree that it will not reach the heady scale of that of the oil-rich 1970s. Nevertheless, the government announced a few weeks ago that it would spend just over Dh600 million (\$166 million) on new construction work; an equal amount is being spent by the private sector. The government is put-

ting up 125 new buildings in Abu Dhabi itself and in the other main city within the emirate, Al Ain.

Oil is the only true source of revenue, and construction activity is perhaps the best indicator of economic change. While two years ago there were still many gaps between the towering chunks of concrete and glass in the city, these gaps have begun to be filled in on a massive scale.

Parts of the city resemble the aftermath of a blitzkrieg. What are considered by some to be "old buildings" — a dozen years or less in some cases — are being torn down to make way for the new.

"You might say we are recycling some of our petrodollars," comments one Arab businessman.

At the recent conference in Vienna of OPEC oil ministers, Dr. Mana Saeed al-Otaiba, minister of petroleum for the UAE and president of the Abu Dhabi Chamber of Commerce and Industry, gave a resounding "no" when asked if he would accept the proposed new quota of 1.5 million barrels of oil a day (including approximately 400,000 barrels a day from neighboring Dubai and Sharjah). Local oil-industry sources suggest that this figure corresponds closely to current output. Dr. al-Otaiba is on

record as having repeatedly insisted that the emirates' quota should be 2.5 million barrels a day.

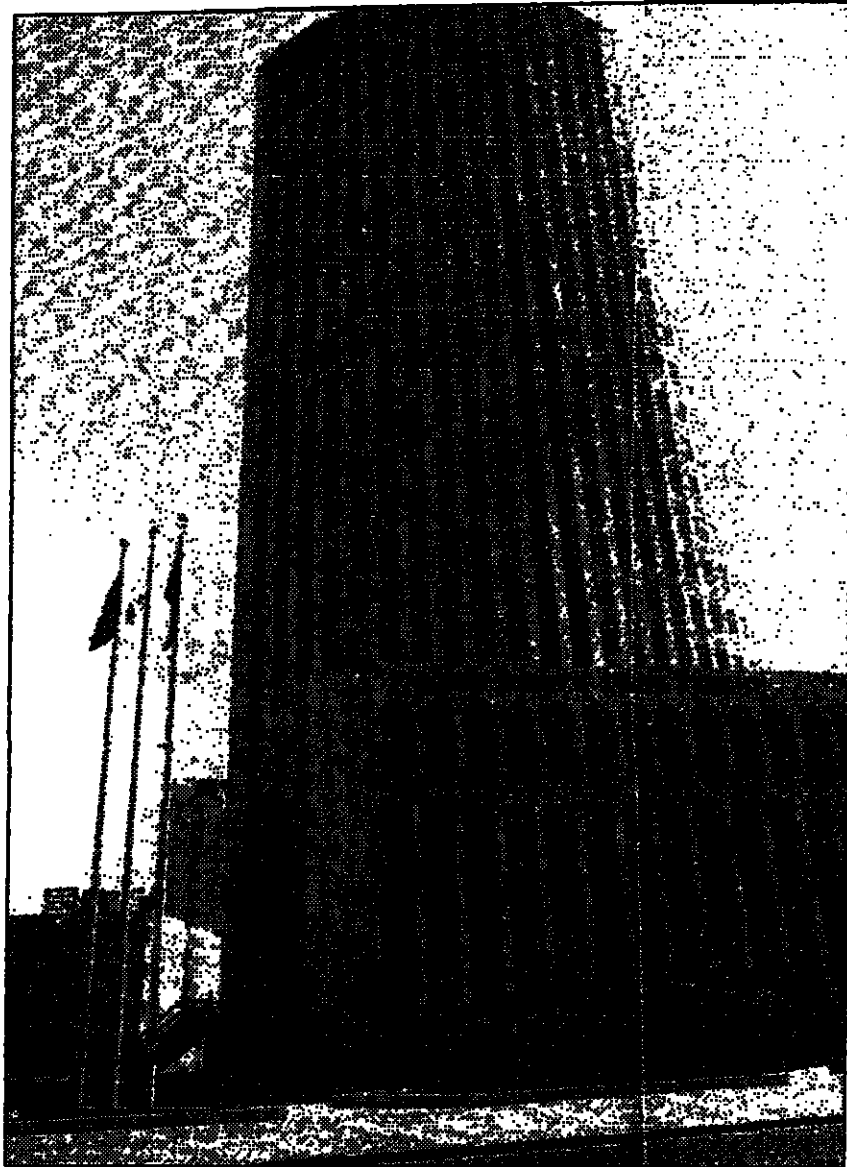
The business climate is definitely changing, with more money from oil and a new era of peace and calm following the end of fighting in the Gulf. "Things were slowing down a little, even immediately after the fighting ceased last year," comments Juma Ahmed Al-Salami, deputy director-general of the Chamber of Commerce, "but the situation has now changed for the better. There is a distinct improvement, and many more opportunities for business here."

His view is partly borne out by the dramatic improvement in trade figures for Abu Dhabi's re-export trade — not only to Iran but also to Qatar, where the North Field gas project, one of the largest in the world, is under way. Comparative figures for last July and the same month in 1988 show an 81 percent increase in the value of goods to Qatar, which lacks good ports and is easily accessible by land from Abu Dhabi. More than 4,000 trucks a month now pass through Sellah, Abu Dhabi's northern border checkpoint.

Mr. Salami believes that Abu Dhabi is now entering an era of opportunities for the future. "While we are basically oil-oriented, diversification of business is going ahead. Some 85 percent of new business is non-oil. We need many more small industries in the light manufacturing field, which can produce goods for Abu Dhabi and for export to the other emirates and member countries of the Gulf Cooperation Council."

He also believes that more involvement from the private sector is essential. "They cannot be left out, but such cooperation must be done in the right way. The government is now considering a development plan," he adds.

Sultan N. Al-Suwaidi, managing



The new Chamber of Commerce and Industry building overlooking the corniche.

Bank Bounces Back to Profitability

When Sultan N. Al-Suwaidi took over the Abu Dhabi Commercial Bank as managing director and chief executive officer just four years ago, he had his hands full. Even though he had little to smile about, he was quietly confident. Today that confidence has been proved right.

From a loss of \$18 million in the financial year ending December 1986, ADCB has now returned a profit of \$19 million for the year ending December 1988. Today Mr. Al-Suwaidi is even more optimistic about ADCB, which was created to save three ailing banks in the United Arab Emirates that were crippled by nonperforming loans.

"We have done much better this year than in 1988. I am sure that we will do even better in 1990. I think the bank is very profitable now and will become even more so in the

future. As we progress we are leaving the era of the bad loans behind us. Banking here in the emirates is now very profitable," says Mr. Al-Suwaidi.

The bank has adopted a more aggressive attitude toward attracting private investors. During the last two years it has been innovative in launching various investment funds and other new products and services. It is now introducing an open-ended real-estate fund, which is expected to close with a total of around Dh7 million (\$1.9 million). Most of the property in the fund is

located in Abu Dhabi, now entering a construction boom.

ADCB is also upgrading its internal and external electronic systems. It hopes to expand and link up with other ATM networks both regionally and overseas. It is providing on-line terminals for its corporate business, but adopts a more conservative attitude toward other retail electronic banking services. "We are only going to implement those that make real sense for our customers. We don't want gimmicks," concludes Mr. Al-Suwaidi.

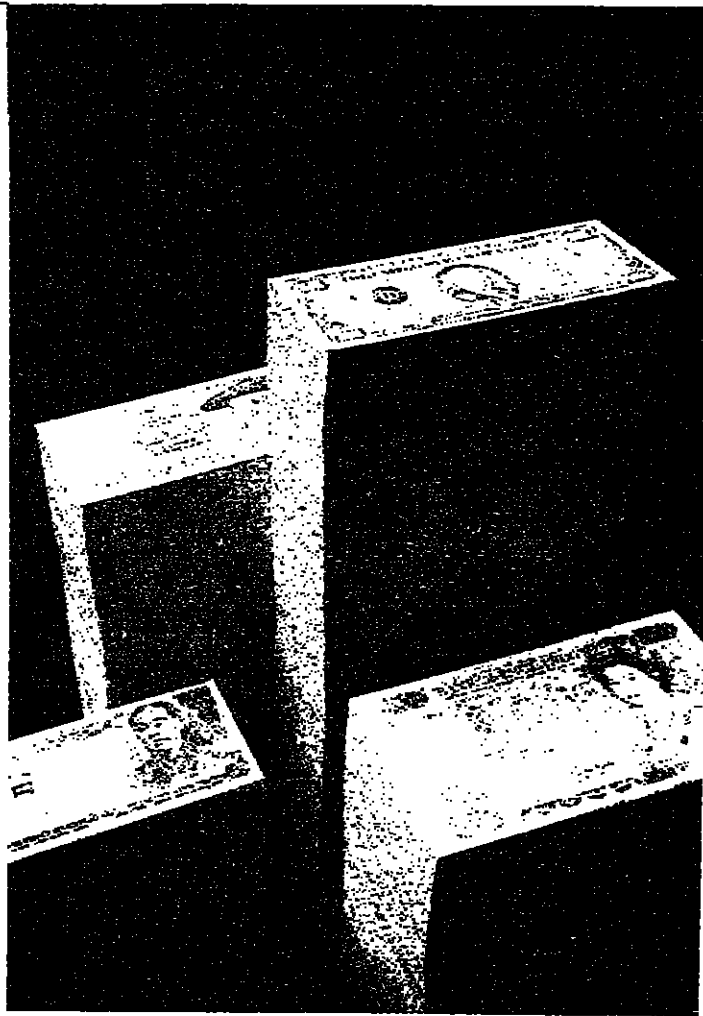
director and chief executive officer of the Abu Dhabi Commercial Bank and one of the city's leading businessmen, is equally bullish about the future.

Another remarkable non-oil achievement has been the growth of tourism — undreamed of in the early days of the federation. Last

season nearly 5,000 visitors came to Abu Dhabi.

"It is very encouraging for us," comments Abdullah Ali Al-Saadi, deputy general manager of the Abu Dhabi National Hotels Company, which is pioneering the development of tourism.

Lee Voysey



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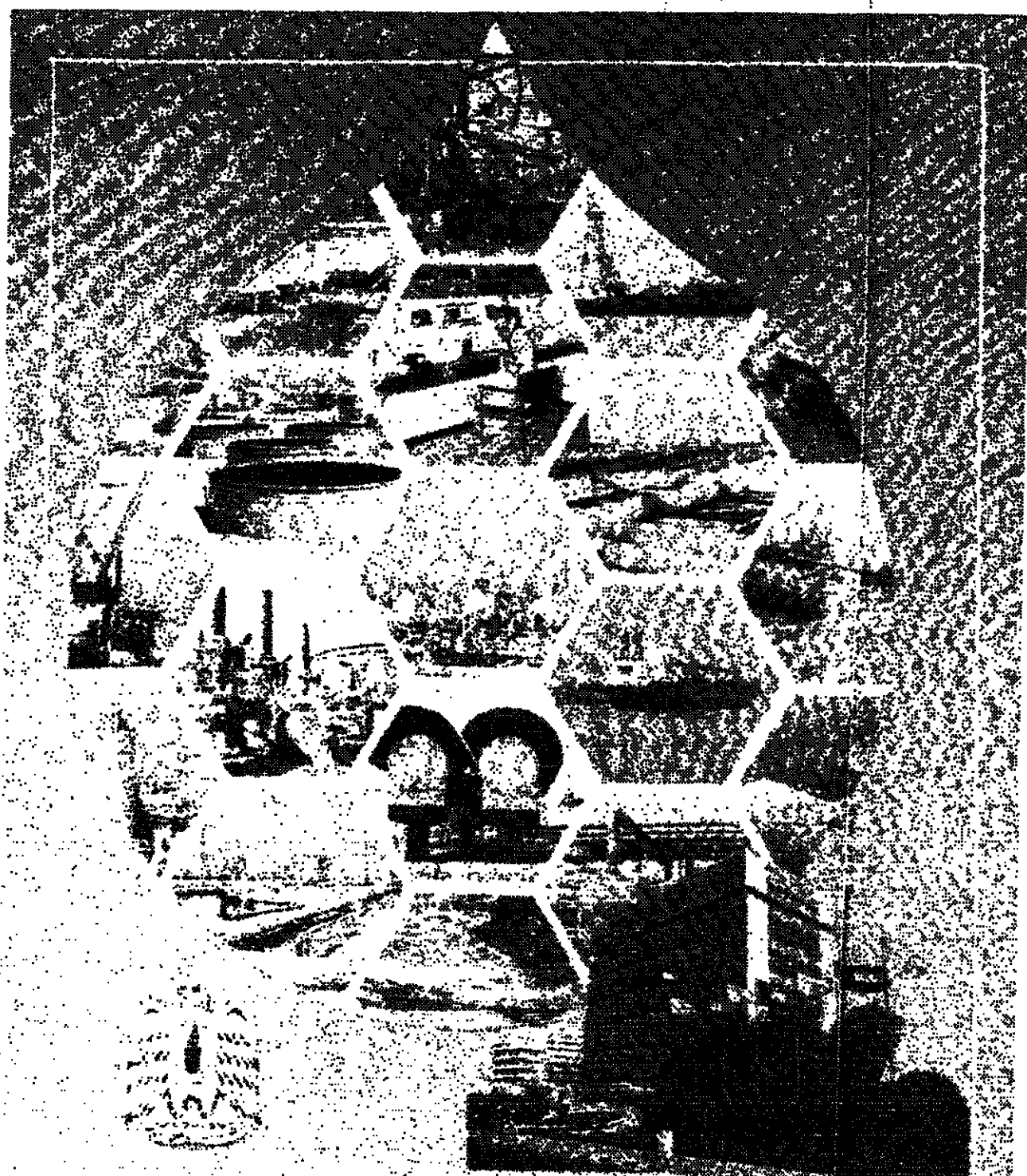
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New Exhibition Center To Invite World Trade

The go-ahead has been given for Abu Dhabi's major new exhibition center, which is likely to be built alongside the existing fairground on the city's edge.

The Abu Dhabi Chamber of Commerce and Industry is to stage its first international exhibition at the new center when it is completed in 1991. The Chamber of Commerce has formed a joint venture with the Brussels International Trade Fair group to manage, organize and promote an extensive program of international and regional events. "We will be holding the international fair every two years," says Juma Ahmed Al-Salami, the Chamber's deputy director-general.

The government is to build and pay for the new exhibition center, which will probably be constructed

in stages so that it can be extended to meet future demands. "We hope that the international fair will help to position Abu Dhabi firmly on the world trade map and to show companies the possibilities for commerce which exist here," says Mr. Al-Salami.

Abu Dhabi, in spite of its many facilities, mostly in the leisure sector — sports stadiums, ice rinks and racetracks — has lacked an up-to-date exhibition hall meeting international standards of display. Now the cooperation of the Brussels group with the Chamber of Commerce will fill this gap handsomely.



Juma Ahmed Al-Salami, deputy director general of the Abu Dhabi Chamber of Commerce and Industry.

In between international fairs, there will be a series of specialized exhibitions and events covering such sectors as building and construction, office equipment and consumer goods.

Oil Industry Gears Up for Higher Output

Oil production continues to be the major source of national revenue in Abu Dhabi, whether it is the 1.5 million barrels a day suggested at the recent OPEC meeting in Vienna or the 2.6 million barrels that Dr. Mana Saeed al-Otaiba, the United Arab Emirates' minister of petroleum, considers more appropriate.

Now that the oil honeymoon is over, Abu Dhabi is concentrating on the day-to-day. "I think we can say that the more stable oil prices are definitely having a beneficial effect for us all," says a spokesman at the headquarters of the Abu Dhabi National Oil Company (ADNOC). "We are looking forward to considerable progress and expansion of our refining capacity in 1990."

ADNOC underwent major administrative changes 18 months ago, part of a restructuring of the government's oil interests. They led to

Emirate's oil reserves should last for centuries

the formation of the Petroleum Supreme Council, which consolidated the work of the Petroleum Department and ADNOC into one body responsible for all the emirate's oil and gas development. It is headed by HH Sheikh Khalifa bin Zayed Al-Nahyan, Crown Prince of Abu Dhabi.

The new general manager of ADNOC is HE Soheil Faris Al-Mazrui, who is also secretary-general of the PSC. Commenting on 17 years of

ADNOC's progress and development in a special review issued by the company, he states: "Our business today is conducted in an intensely competitive international marketplace, where competition comes not only from other producers of oil, but also from other forms of energy. To survive and prosper today, more so than in the past, ADNOC must not only operate more efficiently as a company, but also ensure that its products remain price competitive — prices which are not immune to the laws of supply and demand."

He adds that although prices might remain flat, he sees the present situation in positive terms, which will "guarantee our long-term survival." One hundred billion barrels of proven oil reserves and 180 million cubic feet (5.4 million cubic meters) of gas are more than sufficient to meet the emirate's needs well into the 22nd century.

New activity in the oil and gas industry now reflects the general confidence following the end of the Gulf War. Like Saudi Arabia, the other OPEC member that wants a higher level of production, Abu Dhabi is gearing up for the future. Companies from Pakistan, Great

Britain, France, India and Italy are involved in at least four major schemes to upgrade existing or build new oil and gas terminals, gathering stations, pipelines and various petrochemical and fertilizer plants.

France's Total and ADNOC have formed a joint-venture group, ZADCO, to exploit an estimated 20-billion-barrel reserve in the Upper Zakum Field. Extensive use of water injection will be made to increase production to more than 300,000 barrels a day in about two years' time.

In a second major joint venture by the local Abu Dhabi Mubarrak Oil Company with three Japanese companies, including the Japanese Oil Corporation, production in the offshore West Mubarrak Field began last spring with an initial 8,000 barrels a day. Japan is one of Abu Dhabi's main customers for oil and refined products, taking well over 20 percent of total output.

Abu Dhabi has come a long way. It was just a tiny fishing village on a spit of sand with the only sweet water for miles when the first oil was shipped out exactly 26 years ago this week.

Securities Firm Seeks Small Investors

Since its formation just two years ago, the National Investment & Securities Corporation (NISCORP) has had close links with the Far East and Pacific Rim. It is one of the few wholly locally owned investment houses to have a Japanese, Yasumasa Morita, as one of its vice presidents.

NISCORP has also bought a 5 percent share of the Japanese firm Dai-ichi Securities Company Ltd. in Tokyo. In November it officially opened an office in Singapore, where Mr. Morita is now located. Singapore acts as a representative office for other NISCORP activities in Hong Kong and Japan.

NISCORP is rapidly becoming one of the most dynamic investment institutions in Abu Dhabi. It is proud of the fact that it is locally owned and managed. "Our primary thrust is securities trading," says Robert A. Boyd, executive vice president of real estate. "Although we are locally based, we have a global outlook — and that's important." Mr. Boyd, a former Chrysler Corp. executive and real-estate consultant in Saudi Arabia, continues: "When you come to our office here in Abu Dhabi you are coming to a corporate office. We are not just a

branch or rep office of a big international group — and that makes a difference to our investors."

From the beginning, NISCORP has aimed at the small investor, who is often ignored by larger institutions. Abduljabbar Al-Sayegh, president of NISCORP, describes these investors as being "neglected." Although he is not about to turn away money from high-net-worth individuals, he says, "I am looking for the small investor, most likely an expat, who has perhaps \$2,000 to \$5,000 to place with us."

To date, the strategy has paid off. In its first year NISCORP reported a profit of \$1.55 million, and last April doubled its capital to \$25 million. At its annual meeting in September it announced a 33 percent return on its initial paid-up capital.

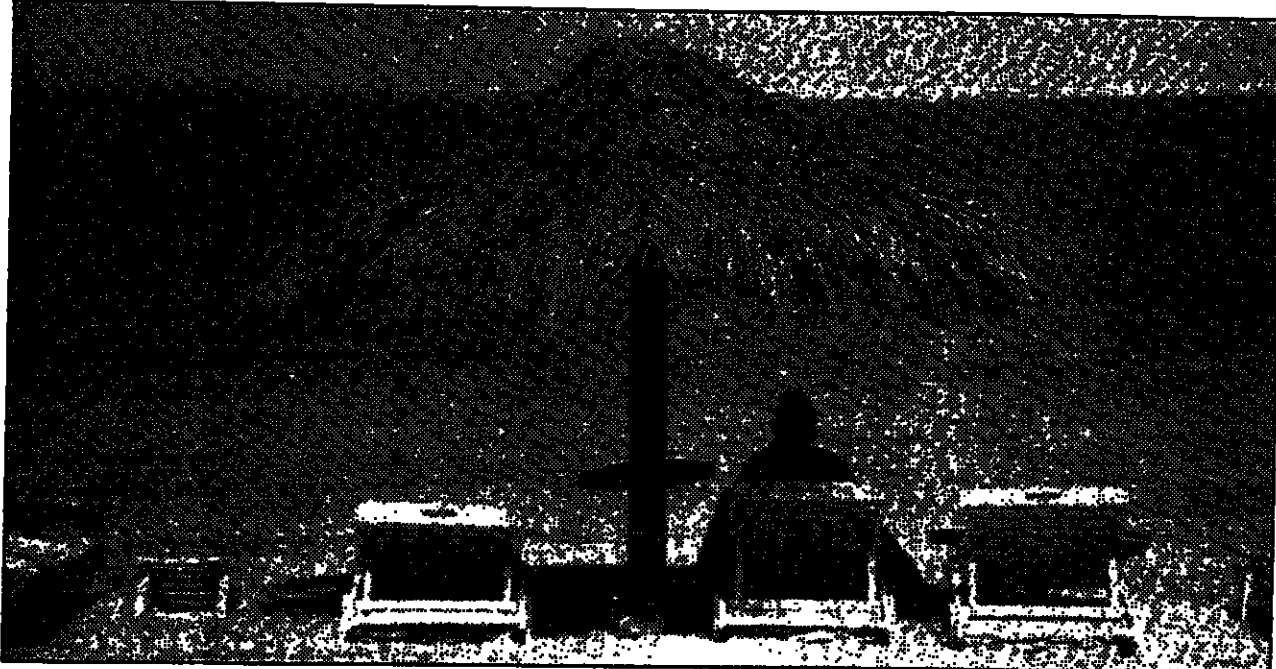
NISCORP has already launched a number of new products, all successful. These have included a Far

East Pool Fund, a local pool fund based on shares traded by the 18 locally incorporated Abu Dhabi companies and, most recently, a real-estate fund. It has invested \$27 million in real estate in the United States, which forms the basis of the new fund, registered in the British Virgin Islands.

NISCORP acts as trustee and manager for the fund, in which the minimum investment is a total of \$20,000 in units of \$5,000. Real estate is popular with the local investment market, which is 70 percent expatriate. "They like to see their investments going into bricks and mortar," says Mr. Al-Sayegh. Who can blame them after a series of stock market crashes that have left many Gulf investors bewildered. But NISCORP is anticipating a strong interest in its real-estate fund from the region as a whole and from farther afield, perhaps even the Pacific Rim countries.

Ocean-Linked Island Brightens Desert

One of the most remarkable tourist hotel projects in Arabia is taking shape on Abu Dhabi's northern border, halfway along the main highway to Dubai. A man-made island has been created in the desert, set in a lagoon and linked to the ocean by a canal.



Sun, sea and sand: on the beach in Abu Dhabi.

On the island the new Jazira Hotel is nearing completion, together with a beachside complex of 23 bungalows set amid palm trees. The new resort, which will have 120 rooms counting the bungalows, is Abu Dhabi National Hotel Company's latest project.

The company has hotels and projects in North Africa, Egypt and Turkey as well as interests in five other hotels in Abu Dhabi and Al Ain. Last year its profits jumped by

45 percent to Dh57.5 million (\$15.9 million).

Abu Dhabi National Hotel Company has been the driving force behind development in the Emirate. Says Abdullah Ali-Saadi, deputy general manager, "We started slowly, but now things are moving much faster. I think this season we may see as many as 10,000 tourists here."

Already most hotels are full, and 160 extra rooms are being added to three of them: the Meridien, Hilton

and Al Ain Hilton. Visitors stay an average of seven nights and spend about \$638 in the hotels for accommodations and food.

With its island beaches, superb service and food, as well as its desert scenery, Abu Dhabi is promoting itself as an exclusive destination for those who want a vacation offering something a little different.

This advertising section was written by Lee Voysey



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Bush Knew in May of Soviet Arms Shift

By Patrick E. Tyler
and R. Jeffrey Smith

Washington Post Service

WASHINGTON — The Defense Department, citing a consensus in the U.S. intelligence community, told President George Bush in a classified study in May that the Soviet Union was reversing a 20-year pattern of growth in military spending, according to a summary of the report made available to The Washington Post. But Mr. Bush and his senior advisers continued until last month to assert that Soviet defense spending was growing.

Mr. Bush ordered the Pentagon study of U.S. defense strategy shortly after his election to provide his administration with a blueprint for dealing with Mikhail S. Gorbachev, the Soviet leader, and the Soviet military threat.

The 26-page summary says that "there is broad agreement within the U.S. intelligence community" that the Soviet Union under Mr. Gorbachev "has decided to reverse a 20-year pattern of growth in Soviet military spending, and force structure in order to boost the civil economy and Soviet foreign policy."

The study, dated May 13, refers to public promises by Soviet officials to cut military forces by 10 percent, defense spending by 15 percent and outlays for new weapons by 20 percent over two years.

"U.S. intelligence believes the cuts will take place," the document says, "and are likely to be followed by additional unilateral retrenchments."

But until last month, Mr. Bush, Vice President Dan Quayle and Defense Secretary Dick Cheney repeatedly criticized what they said was rising Soviet military spending. And the administration continued to press Congress to approve the \$295.6 billion defense budget for the 1990 fiscal year that was agreed to in May in budget talks between congressional and administration officials.

Mr. Bush said on Nov. 7, for example, that he agreed with Mr. Quayle that Soviet military spending was growing and that he would like to "find a way to reverse that."

A White House spokesman, responding to questions about the classified study, said: "When it was written, people were trying to pro-

noscitate on the basis of Soviet announcements and very early indications of Soviet behavior. In fact, at that time, our estimates were that there were few, if any, changes."

A senior official, speaking on the condition that he not be named, pointed to uncertainties in the report about "exactly how" the Soviet spending cuts would be carried out. But he acknowledged that the May report did not equivocate about the downward direction of Soviet military spending.

The Washington Post and The New York Times published articles last month in which unnamed intelligence analysts expressed the view that Soviet military spending was falling.

Senior administration officials later ceased public assertions of higher Soviet military spending.

The State Department spokesman, Margaret D. Tutwiler, said that Soviet military spending was declining, although a Defense Department spokesman asserted that the evidence remained unclear.

Mr. Cheney, briefing reporters on the 1989 edition of the annual Pentagon study, titled "Soviet Mil-

itary Power," said Sept. 27 that "despite all the rhetoric about reducing their military budgets, Soviet defense spending has actually increased an average of 3 percent per year in real terms since 1985."

Neither he nor Mr. Bush, who delivered speeches on U.S.-Soviet relations following the internal government review, mentioned the intelligence community's view.

Although the study preceded the upheavals in Eastern Europe and the Bush-Gorbachev meeting off Malta, it anticipated the East-West agenda as it has unfolded.

It stated that "near- to medium-term goals" of U.S. policymakers should include an attempt to win the Soviet Union's "adherence to the obligation which it undertook at the end of World War II to permit self-determination for the countries of East-Central Europe."

The study added that if this goal was achieved, along with a "denuclearization" of Soviet foreign policy and a reduction of military forces, "the United States may be presented with the opportunity to make fundamental changes in its defense strategy and force posture."

Baker Cautions West Germans On Unification

The Associated Press

BERLIN — James A. Baker 3d, the U.S. secretary of state, told West German leaders Monday that they alone could not decide the pace of reunification with East Germany.

Mr. Baker flew to West Berlin for talks with Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher after a stop in London.

There he reaffirmed a special U.S. relationship with the government of Prime Minister Margaret Thatcher and said he did not believe the two allies were drifting apart over West European unity.

"I don't think there are any fences that need mending," Mr. Baker said after meeting with Mrs. Thatcher at No. 10 Downing Street. "We feel a special relation to the United Kingdom and to the prime minister."

Bonn Socialists Set Unity Plan

By Serge Schmemmann
New York Times Service

BONN — The opposition Social Democratic Party unveiled on Monday its plan for the future of the Germans, calling for phased progress toward a confederation broadly similar to the one proposed two weeks ago by Chancellor Helmut Kohl.

The resolution, which was likely to be the centerpiece of a full party congress in West Berlin next week, underscored the degree to which the prospect of reunification has come to dominate West German politics.

With a year to go before national elections, the major parties have already plunged into intensive maneuvering to seize on symbols of national unity and to put forth concrete programs.

Rather than disagree with Mr. Kohl's plan, leaders of the Social Democrats who drafted the resolution seemed anxious to demonstrate that their thinking for his plan, and they claimed to go beyond him on a specific point.

Their program, as outlined by Hans-Jochen Vogel, the party chairman, favored a confederation that would leave each Germany a degree of sovereignty, while allowing citizens to live and work freely in either state. Mr. Vogel compared the proposed relationship to that of Britain and Ireland, which grant each other's citizens voting rights and social benefits.

The Social Democrats' declaration said the party wanted to work toward "a state of peace in Europe in which the German people regain its unity through free self-determination."

"The nation owes it to the Germans in East Germany that we can now begin to realize what for a long time appeared to be utopian — completing the unity and freedom of Germany," the document added.

By all accounts, Mr. Kohl had scored something of a coup with his plan. Though it irritated his West German partners, the Soviet Union, some East Germans and all his political opponents, in domestic politics, which is the chancellor's real domain, it was recognized as a coup. Mr. Kohl had shown himself armed with a distinct policy and a concrete end.

Particularly galling to the Social Democrats was that many elements came from them. Equally problematic for them was that in recent years the party had pursued a dialogue with the East German Communists, going so far as to produce a statement on areas of agreement two years ago.

The Social Democrats' resolution sought to exploit several gaps

in Mr. Kohl's plan. It explicitly guaranteed Poland its Western border, an issue on which Mr. Kohl was afraid to antagonize his right wing, which still grumbles at the inclusion of Silesia into Poland after the war.

The statement also went beyond Mr. Kohl's in seeking new disarmament proposals, and in linking German unity with European unity.

Party leaders said this was intended to draw a contrast with Mr. Kohl's speech, which they said raised German unity in a national rather than international context. The document similarly avoided using the word "reunification," which has taken on nationalistic overtones, and used instead "unity" or "unification."

GERMANY: Softer Line on Unity

(Continued from page 1)

Kochewasov of the Soviet Union, Vernon A. Walters of the United States, Sir Christopher Mallaby of Britain and Serge Boddevaux of France, was "to put an anchor on Bonn," one of their colleagues here said.

In Paris, a French official was more blunt. "The purpose was to remind the Germans who's in charge of Berlin," he said.

Monday's communiqué added that "further meetings at appropriate levels may take place."

Mr. Kohl's speech to the national leadership of his party Monday was seen as an answer to the irritation in Western Europe and anger in Moscow provoked by his 10-point plan, which was announced Nov. 28.

Assessing that many had misunderstood it, or taken the elements out of context, Mr. Kohl said he had not laid down a rigid schedule of steps toward unification.

He did lay down a clear electoral challenge to the opposition Social Democratic Party, which he accused of being willing to permanently consign the more than 16 million people of East Germany to communism. Mr. Kohl described national elections scheduled in West Germany next autumn as "crucial, even fateful."

"The freedom of all Germans is at stake," he said. "The united Europe of the future that we want to achieve — as a common home for the coming generations — is at stake."

Mr. Kohl still declined to be pinned down publicly on a pledge to respect the postwar border between East Germany and Poland, along the Oder-Neisse line. The prewar German territory extended far to the east, to East Prussia in what is now part of the Soviet Union, and Mr. Kohl has refused to recognize that the lost territories were gone forever.

EAST: Despite Recent Advances, Capitalist Ideas Face an Uphill Climb

(Continued from page 1)

"But the Communist Party could not keep its part of the bargain."

Eastern Europe's experience underlines the stark contrast between state-run economies and free-market systems.

In the former, the state owns factories, farms, homes and buildings, and determines their use, parceling out a nation's wealth in the form of wages, investment, education, pensions, a weapons industry, public works and the like.

The state guarantees jobs for most workers and sets wages, taking little account of differences in individual proficiency, so there is not much incentive, beyond one's conscience, to work, innovate or take chances.

State-run systems, however flawed, were nonetheless able to channel Eastern Europe's resources into steel-making, autos, petrochemicals, weapons and other major industries after World War II.

Despite persistent shortages of consumer goods, the various national economies grew and living standards rose — until the 1980s.

Since then, growth has averaged about 1 percent a year, or less than one-third the rate for Eastern Europe in the two previous decades, according to PlanEcon, a Washington-based research organization.

The reason is that while state-controlled systems might be good at pulling a nation up by its bootstraps initially, they have failed to adapt to shifts in supply and demand, new technologies and changing circumstances.

An economy run by bureaucrats and state orders is ill-suited to fostering high-technology industries like computers and semiconductors, which depend on innovation and risk taking.

"No government, anywhere, has the manpower or the skill to ride a complex, modern economy all the way down to the corner grocery store, anticipating people's preferences and requirements," said Robert Heilbroner, the economic historian. "The markets do this better."

The downside to free markets, of course, can be unemployment and huge differences in income, a phenomenon that only Hungary and Poland among Eastern European nations have begun to accept openly, after a decade of experimenting with private enterprise.

Here is where the East European nations stand in the process of revising their economies:

POLAND

Cold Turkey

Poland, with 38 million of Eastern Europe's 140 million people, seems determined to go the farthest in the direction of free markets.

Since mid-year, the Polish government has been dismantling its socialist economy almost cold turkey.

Many state-owned companies

are up for sale, with the possible buyers including management, employees or foreign investors. Lack of a buyer could force a money-losing company to close.

The sell-off program is being held back in Poland and other East European countries by some previously unheard-of problems. These include finding a proper selling price for a money-losing state company and raising capital in a nation that lacks private banks or bond and stock markets.

But Poland is already suffering the inevitable consequences of its ambitious drive toward private enterprise.

Even the staunchest advocates of the effort, among them Jeffrey Sachs, a Harvard University economist who is an adviser to the Solidarity movement and an architect of the Polish strategy, acknowledge the developing hardships.

Unemployment could reach 5 percent by early next year, up from almost nothing now, Mr. Sachs said.

"Disparities in income are becoming evident and they will be greater in the future," he said, adding that a backlash is possible.

Layoffs are becoming legal as a cost-cutting measure, as the government cuts subsidies to steel mills, shipyards and other money-losing manufacturers — although the private sector cannot absorb the newly unemployed.

Price controls are being eliminated, a process that has helped to create an inflation rate of more than 50 percent a month lately.

Inflation is hard on government workers with their limited wages. Public employees, paid less than \$100 a month on average, account for 70 percent of Poland's labor force of 19 million.

The great hope of the Solidarity movement, which controls the government, is that foreign investment will pour in to expand the private sector and provide work for the unemployed. Foreign aid would also touch off a boom, raising everyone's living standards and thus making income disparities less noticeable.

HUNGARY

A Private Sector

Traditionally a more entrepreneurial, freewheeling society than its East European neighbors, Hungary, with 11 million people, began adopting some free-market policies roughly a decade ago.

Today, the private sector accounts for roughly 25 percent of Hungary's economic activity, said Paul Marer, an Indiana University expert on Hungary.

But in Hungary, selling off state enterprises does not have the same priority as in Poland.

Instead, the Hungarian government has tried to make its huge state sector simulate free-market conditions.

Many managers are elected by

employees — acting as if they were shareholders — rather than appointed by the central government. Instead of taking orders from a ministry, managers bargain with Budapest over production targets, price levels, capital investment, and materials purchases. They also get bonuses for increasing profits, as do chief executives in the West.

In addition, many enterprises are organized as cooperatives, with autonomy to market their own goods and keep some of the profit.

Though some companies are up for sale, financing is a huge obstacle to privatization.

Hungary has aggressively sought out Western companies as joint venture partners, becoming the East European country of choice for these arrangements.

Magyar Posta, the telephone company, for example, signed a joint venture agreement last week with U S West Inc., the regional telephone company based in Denver, to build a cellular telephone network in Budapest.

Some state-owned companies are being sold to foreigners, or to the country's Hungarian managers, in Western-style leveraged buyouts, if the managers can raise financing abroad.

The Hungarian government has gone far in allowing its citizens to establish private companies, although the entrepreneurs are still restricted in such things as how much they can borrow and how many people they can hire.

EAST GERMANY

The Wealthiest

East Germany, with more than 16 million people, is the wealthiest East European nation. Its work force is disciplined and well-educated, and it benefits from a special trading relationship with West Germany.

It is regarded by many Western analysts as proof that a state-run economy fails to generate sufficient wealth in today's complex industrial world unless it is leavened with private ownership.

Until the current upheaval, East Germany tacitly preserved central planning, with all the trappings that make the staples of life affordable even on East Germany's low wages.

Although East Germany produces an array of goods, most state enterprises operate at a loss, requiring huge state subsidies. These subsidies, in turn, produced a \$70 billion budget deficit last year, officials acknowledged last month. Such losses are almost inevitable, economists say.

East Germany's factory managers have been paid primarily to meet production goals set by the state, and they often hoard raw materials to keep their factories operating, sometimes forcing other plants to curtail production for lack of supplies.

The managers' salaries are not tied to product quality or cost control or replacing old machinery. East German investment, in fact, was cut back sharply in the 1980s to preserve cash needed in part to service a \$20 billion foreign debt.

The small amount that was spent went mostly to microelectronics and robotics, potential export industries. The government provides jobs for virtually everyone in the labor force of 9 million people. And it keeps prices low enough so that Germans, earning an average of \$100 a month, can afford all the staples, though there are chronic shortages of consumer goods.

East Germans, like so many consumers in centrally planned economies, often prefer to save part of their wages, rather than buy the available, shoddy merchandise.

This savings "overhang," a common phenomenon in Eastern Europe, would produce a burst of inflation in East Germany if price controls were eliminated and borders were open to sought-after foreign consumer products, economists say.

If East Germany opens the door to foreign investment, West German companies, in particular, would probably purchase profitable enterprises, like the printing equipment plants, business executives say.

But if the unprofitable ones — the outdated chemical plants and auto factories, for example — are forced to close, the thousands of people left unemployed could migrate to jobs in Western Europe.

The principal hope, said Irwin Collier, an East German expert at the University of Houston, "is that foreign investment will pour in,

creating new businesses and jobs."

"No one knows yet whether this will happen," he said. "No one has dealt with the unemployment issue at all. The economic discussions are just beginning."

CZECHOSLOVAKIA

Unemployment Likely

The economic debate is also just beginning in Czechoslovakia, a nation of nearly 16 million people. The country's first government without a Communist majority took power on Sunday, raising the prospect of some movement toward private enterprise, which is now almost nonexistent.

As in other Eastern European nations, public attitudes about change are ambivalent.

A recent poll found 47 percent of Czechoslovaks want their economy to remain state-controlled while 43 percent want a mixture of state control and private enterprise. Only 3 percent favored capitalism.

Inflation is less of a problem in Czechoslovakia than elsewhere in the East bloc because, despite some shortages, the Czechs have managed to spend much of their income — the 8 million workers earn an average of nearly \$300 a month — on what is available in the stores.

But the unemployment potential is great. Most of the labor force works in heavy industry, principally at mammoth, outdated factories.

Central planning helps to explain why Czechoslovakia's heavy industry, which accounts for 60 percent of the gross national product, fell slowly behind the technology curve.

BULGARIA

A Different Breed

Among the Balkan countries, Yugoslavia is absorbed in preventing ethnic rivalries from splitting the country, and Albania remains an isolated bastion of Marxism-Leninism. Only Bulgaria has been embroiled in Eastern Europe's upheaval, installing new leadership headed by Petar Mladenov.

Though a Communist, he is regarded as more open to market revisions than Todor Zhivkov, the man he replaced.

But Bulgaria is different from many of its neighbors — closer to Russia in culture than to Europe, still throwing off more income from agriculture than from industry, and willing over the last four years to experiment with diluting central planning.

Central planning brought heavy industry in the postwar period, converting Bulgaria from a rural country into a nation that supplied the computers used in the Soviet space program.

In theory, Bulgaria should be on its way to a free-market economy. New laws, ordered by the Zhivkov regime, call for such capitalist devices as a commercial banking system and considerable autonomy for state companies.

"But while the legal framework is there, central planning and state control is still the dominant feature," said Marvin R. Jackson, whose specialty at Arizona State University is Bulgaria and Romania. "Bulgarians say there is a lot of smoke but not much fire."

ROMANIA

Economy in Shambles

Through all the turmoil, Romania has remained outwardly calm. Nicolae Ceausescu, among the world's most repressive Communist leaders, even organized a demonstration last month in support of his regime.

But beyond the show, the economy is deteriorating rapidly and the 23 million people live wretched lives, said Mr. Jackson, who said he received frequent reports from Romanian contacts.

Food is rationed severely. The cities are without street lights. Fuel is provided to heat homes only part of the day.

To Mr. Jackson and other experts, Romania is an example of state planning run amok. Seeking self-sufficiency, the Ceausescu regime invested in steel plants, petroleum refineries and other heavy industries, borrowing abroad to do so.

And then the Romanian leader, his nation near bankruptcy in the early 1980s, decided to pay the \$10 billion debt entirely, and fast, rather than bargain for delays.

Imports were halted and huge quantities of food were exported to raise the hard currency for debt repayment.

PEACE:

Cambodia Plan

(Continued from page 1)

gained support from officials in the United States and Thailand.

David Lamberton, deputy assistant U.S. secretary of state for East Asian affairs, told a forum on Cambodia at Harvard University last week that the plan for an interim UN role in Cambodia could break the impasse in stalled efforts to forge a political settlement.

"I think the idea has great merit," Mr. Lamberton said. "It interests me very much."

Foreign Minister Siddhi Savetsila of Thailand also said the plan was a good one. Thailand, which shares a long border with Cambodia, has played an important part in shaping the response of the Association of South East Asian Nations to the Cambodian conflict.

Prince Norodom Sihanouk, head of the Cambodian seat in the United Nations, also endorsed a UN takeover of Cambodia, but not the vacant-seat formula.

"Declaring the Cambodian seat vacant will only aggravate the situation in Cambodia because it will have the effect of intensifying the war," Prince Sihanouk said Monday in a statement issued from his Beijing residence.

Prince Sihanouk said that the guerrilla coalition would take part in further talks on Cambodia only if Vietnam participated. He asserted that Mr. Hun Sen's government was a "quiescent" creation of the 10-year Vietnamese military occupation of the country.

China, the main backer and arms supplier of the Khmer Rouge, said it had "taken note" of Australia's proposal. But Jin Guizha, a Chinese Foreign Ministry spokesman, said China stood by its position that a provisional power-sharing government should be set up to include the Vietnam-supported administration in Phnom Penh and the Khmer Rouge and two other groups in the resistance led by Prince Sihanouk.

A conference of 19 nations — including the United States, the Soviet Union and China — founded in Paris in August, when Vietnam and its Cambodian ally refused to accept a comprehensive settlement based on forming an interim administration including the major Cambodian belligerents.

Vietnam, which invaded Cambodia in 1978 to overthrow the Khmer Rouge government, announced in September that it had withdrawn the remainder of its forces from the country.

This left Phnom Penh government troops to face guerrillas of the resistance coalition, including the Khmer Rouge who are considered a greater military threat than either of the two non-Communist groups in the resistance.

Responding to growing international concern at the spread of fighting in Cambodia and the prospect of a Khmer Rouge comeback, Australia on Nov. 24 proposed a UN interim administration for Cambodia.

Australia's foreign minister, Gareth Evans, said acceptance of the plan would be a compromise because the Hun Sen administration would have to "step back from its present role as the de facto government" of Cambodia while the three resistance groups would also be denied a role in the transition.

In addition to running the government, the UN would also be responsible for supervising the cease-fire, ensuring that all Vietnamese troops were out of Cambodia and putting in place arrangements for free elections for a national government, Mr. Evans said.

A Western diplomat said that Mr. Hun Sen appeared to be showing greater flexibility.

Mr. Hun Sen told the Cambodian press agency that the next round of Cambodian peace talks should be based on what he called the "Namibia formula," under which a UN force supervised elections in November, while the South African administration remained in place.

One Asian diplomat said that if Mr. Hun Sen intended to keep his government in place, his proposal would amount to political posturing.

"Either you have a quadripartite Cambodian government," the diplomat said, "or you have the simultaneous dissolution of the resistance coalition and the Phnom Penh regime leaving the country in the hands of a UN interim administration."

NIGERIA: Expect the Unexpected

(Continued from page 1)

It is also a place of astonishing contrast and incongruity. State-of-the-art highway overpasses, for instance, tower over ancient fishing villages set on the edge of fetid lagoons.

Crime flourishes here. With the economy in crisis and inflation soaring, more and more Nigerians are turning to international drug smuggling to make ends meet.

For ferrying heroin from Asia to Europe and the United States, a smuggler can earn as much as \$2,000, an enormous sum for a jobless soul with little hope of economic betterment. One U.S. law-enforcement official remarked that arresting Nigerian smugglers was sometimes "like shooting fish in a barrel" because they often arrive in New York, Washington or Atlanta "with no money, few clothes, no luggage."

The most popular manner of smuggling heroin here is by swallowing condoms full of the drug. Nigerian smugglers have been arrested in places as far-flung as Moscow, Burkina Faso and Japan, Alaska; the oldest known Nigerian smuggler caught in the United States was 77, the youngest 12, according to U.S. officials.

Nigerians on any flight arriving in the United States are considered suspect, the innocent as well as the guilty, according to Nigerian journalists and businessmen who travel there frequently.

Over dinner in Lagos, a Nigerian professional described the indignities he was subjected to — including destruction of a new suitcase by a zealous customs inspector — when he arrived in New York.

Moderate Quakes Hit Athens

The Associated Press

ATHENS — Athens was shaken for a second day Monday by two moderate earthquakes but the police reported no damage or injuries.

The next morning, The Daily Times, which had buried Mr. Azikiwe the day before, seemed to come up with the perfect headline, a quote from Mr. Azikiwe that told the truth while managing at the same time to keep a little of the paper's integrity intact: "I Am Ill but Not Dead."

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MARKET DIARY

Via Associated Press Dec. 11

London Commodities

	Close	High	Low	Prev.	Sett.
SUGAR					
U.S. dollars per metric ton					
Mar	300.00	300.00	299.00	300.00	300.00
May	300.00	300.00	299.00	300.00	300.00
Aug	298.00	298.00	297.00	298.00	298.00
Oct	296.00	296.00	295.00	296.00	296.00
Dec	294.00	294.00	293.00	294.00	294.00
Jan	292.00	292.00	291.00	292.00	292.00
Feb	290.00	290.00	289.00	290.00	290.00
Mar	288.00	288.00	287.00	288.00	288.00
Apr	286.00	286.00	285.00	286.00	286.00
May	284.00	284.00	283.00	284.00	284.00
Jun	282.00	282.00	281.00	282.00	282.00
Jul	280.00	280.00	279.00	280.00	280.00
Aug	278.00	278.00	277.00	278.00	278.00
Sep	276.00	276.00	275.00	276.00	276.00
Oct	274.00	274.00	273.00	274.00	274.00
Nov	272.00	272.00	271.00	272.00	272.00
Dec	270.00	270.00	269.00	270.00	270.00
Jan	268.00	268.00	267.00	268.00	268.00
Feb	266.00	266.00	265.00	266.00	266.00
Mar	264.00	264.00	263.00	264.00	264.00
Apr	262.00	262.00	261.00	262.00	262.00
May	260.00	260.00	259.00	260.00	260.00
Jun	258.00	258.00	257.00	258.00	258.00
Jul	256.00	256.00	255.00	256.00	256.00
Aug	254.00	254.00	253.00	254.00	254.00
Sep	252.00	252.00	251.00	252.00	252.00
Oct	250.00	250.00	249.00	250.00	250.00
Nov	248.00	248.00	247.00	248.00	248.00
Dec	246.00	246.00	245.00	246.00	246.00
Jan	244.00	244.00	243.00	244.00	244.00
Feb	242.00	242.00	241.00	242.00	242.00
Mar	240.00	240.00	239.00	240.00	240.00
Apr	238.00	238.00	237.00	238.00	238.00
May	236.00	236.00	235.00	236.00	236.00
Jun	234.00	234.00	233.00	234.00	234.00
Jul	232.00	232.00	231.00	232.00	232.00
Aug	230.00	230.00	229.00	230.00	230.00
Sep	228.00	228.00	227.00	228.00	228.00
Oct	226.00	226.00	225.00	226.00	226.00
Nov	224.00	224.00	223.00	224.00	224.00
Dec	222.00	222.00	221.00	222.00	222.00
Jan	220.00	220.00	219.00	220.00	220.00
Feb	218.00	218.00	217.00	218.00	218.00
Mar	216.00	216.00	215.00	216.00	216.00
Apr	214.00	214.00	213.00	214.00	214.00
May	212.00	212.00	211.00	212.00	212.00
Jun	210.00	210.00	209.00	210.00	210.00
Jul	208.00	208.00	207.00	208.00	208.00
Aug	206.00	206.00	205.00	206.00	206.00
Sep	204.00	204.00	203.00	204.00	204.00
Oct	202.00	202.00	201.00	202.00	202.00
Nov	200.00	200.00	199.00	200.00	200.00
Dec	198.00	198.00	197.00	198.00	198.00
Jan	196.00	196.00	195.00	196.00	196.00
Feb	194.00	194.00	193.00	194.00	194.00
Mar	192.00	192.00	191.00	192.00	192.00
Apr	190.00	190.00	189.00	190.00	190.00
May	188.00	188.00	187.00	188.00	188.00
Jun	186.00	186.00	185.00	186.00	186.00
Jul	184.00	184.00	183.00	184.00	184.00
Aug	182.00	182.00	181.00	182.00	182.00
Sep	180.00	180.00	179.00	180.00	180.00
Oct	178.00	178.00	177.00	178.00	178.00
Nov	176.00	176.00	175.00	176.00	176.00
Dec	174.00	174.00	173.00	174.00	174.00
Jan	172.00	172.00	171.00	172.00	172.00
Feb	170.00	170.00	169.00	170.00	170.00
Mar	168.00	168.00	167.00	168.00	168.00
Apr	166.00	166.00	165.00	166.00	166.00
May	164.00	164.00	163.00	164.00	164.00
Jun	162.00	162.00	161.00	162.00	162.00
Jul	160.00	160.00	159.00	160.00	160.00
Aug	158.00	158.00	157.00	158.00	158.00
Sep	156.00	156.00	155.00	156.00	156.00
Oct	154.00	154.00	153.00	154.00	154.00
Nov	152.00	152.00	151.00	152.00	152.00
Dec	150.00	150.00	149.00	150.00	150.00
Jan	148.00	148.00	147.00	148.00	148.00
Feb	146.00	146.00	145.00	146.00	146.00
Mar	144.00	144.00	143.00	144.00	144.00
Apr	142.00	142.00	141.00	142.00	142.00
May	140.00	140.00	139.00	140.00	140.00
Jun	138.00	138.00	137.00	138.00	138.00
Jul	136.00	136.00	135.00	136.00	136.00
Aug	134.00	134.00	133.00	134.00	134.00
Sep	132.00	132.00	131.00	132.00	132.00
Oct	130.00	130.00	129.00	130.00	130.00
Nov	128.00	128.00	127.00	128.00	128.00
Dec	126.00	126.00	125.00	126.00	126.00
Jan	124.00	124.00	123.00	124.00	124.00
Feb	122.00	122.00	121.00	122.00	122.00
Mar	120.00	120.00	119.00	120.00	120.00
Apr	118.00	118.00	117.00	118.00	118.00
May	116.00	116.00	115.00	116.00	116.00
Jun	114.00	114.00	113.00	114.00	114.00
Jul	112.00	112.00	111.00	112.00	112.00
Aug	110.00	110.00	109.00	110.00	110.00
Sep	108.00	108.00	107.00	108.00	108.00
Oct	106.00	106.00	105.00	106.00	106.00
Nov	104.00	104.00	103.00	104.00	104.00
Dec	102.00	102.00	101.00	102.00	102.00
Jan	100.00	100.00	99.00	100.00	100.00
Feb	98.00	98.00	97.00	98.00	98.00
Mar	96.00	96.00	95.00	96.00	96.00
Apr	94.00	94.00	93.00	94.00	94.00
May	92.00	92.00	91.00	92.00	92.00
Jun	90.00	90.00	89.00	90.00	90.00
Jul	88.00	88.00	87.00	88.00	88.00
Aug	86.00	86.00	85.00	86.00	86.00
Sep	84.00	84.00	83.00	84.00	84.00
Oct	82.00	82.00	81.00	82.00	82.00
Nov	80.00	80.00	79.00	80.00	80.00
Dec	78.00	78.00	77.00	78.00	78.00
Jan	76.00	76.00	75.00	76.00	76.00
Feb	74.00	74.00	73.00	74.00	74.00
Mar	72.00	72.00	71.00	72.00	72.00
Apr	70.00	70.00	69.00	70.00	70.00
May	68.00	68.00	67.00	68.00	68.00
Jun	66.00	66.00	65.00	66.00	66.00
Jul	64.00	64.00	63.00	64.00	64.00
Aug	62.00	62.00	61.00	62.00	62.00
Sep	60.00	60.00	59.00	60.00	60.00
Oct	58.00	58.00	57.00	58.00	58.00
Nov	56.00	56.00	55.00	56.00	56.00
Dec	54.00	54.00	53.00	54.00	54.00
Jan	52.00	52.00	51.00	52.00	52.00
Feb	50.00	50.00	49.00	50.00	50.00
Mar	48.00	48.00	47.00	48.00	48.00
Apr	46.00	46.00	45.00	46.00	46.00
May	44.00	44.00	43.00	44.00	44.00
Jun	42.00	42.00	41.00	42.00	42.00
Jul	40.00	40.00	39.00	40.00	40.00
Aug	38.00	38.00	37.00	38.00	38.00
Sep	36.00	36.00	35.00	36.00	36.00
Oct	34.00	34.00	33.00	34.00	34.00
Nov	32.00	32.00	31.00	32.00	32.00
Dec	30.00	30.00	29.00	30.00	30.00
Jan	28.00	28.00	27.00	28.00	28.00
Feb	26.00	26.00	25.00	26.00	26.00
Mar	24.00	24.00	23.00	24.00	24.00
Apr	22.00	22.00	21.00	22.00	22.00
May	20.00	20.00	19.00	20.00	20.00
Jun	18.00	18.00	17.00	18.00	18.00
Jul	16.00	16.00	15.00	16.00	16.00
Aug	14.00	14.00	13.00	14.00	14.00
Sep	12.00	12.00	11.00	12.00	12.00
Oct	10.00	10.00	9.00	10.00	10.00
Nov	8.00	8.00	7.00	8.00	8.00
Dec	6.00	6.00	5.00	6.00	6.00
Jan	4.00	4.00	3.00	4.00	4.00
Feb	2.00	2.00	1.00	2.00	2.00
Mar	0.00	0.00	0.00	0.00	0.00

Volume: 2,829 lots of 50 tons.

COFFEE

July	662	663	666	662	662	663
Jul	675	677	680	676	676	677
Sep	690	692	695	692	692	693
Dec	714	715	720	715	715	717
Mar	730	735	740	735	734	736

Volume: 1,814 lots of 10 tons.

COFFEES
Sterling per metric ton

Jan	666	667	670	665	663	664
Mar	670	671	673	666	668	667
May	683	684	684	678	674	677
Jul	697	699	699	694	687	690
Sep	715	716	716	712	705	708

Argentina Sets Tighter Anti-Inflation Program

Compiled by Our Staff From Dispatches

BUENOS AIRES — Argentina's second major economic austerity plan in five months took effect Monday, when the austral was devalued by 34.8 percent and a two-part exchange market implemented as part of a set of measures to adjust the country's anti-inflation program.

The government also announced a 59 percent increase in the price of gasoline and said public utility charges would soon be raised.

The economy minister, Néstor Rapanelli, said the austral's official exchange rate was set at 1,000 pesos per dollar, up from the 657.5 rate in use when President Saúl Carlos Menem took office in July.

"The national government has ordered a series of corrections to the economic program, including changes in variables like the exchange rate, salaries and public sector tariffs, as a way to face the problems experienced in the exchange market in the past few weeks," the Economy Ministry said.

The austral has lost over one-third of its value against the dollar over the past month in the unofficial exchange market, closing last Thursday at 1,015 to the dollar.

The 55 percent spread between the official exchange rate and the official rate threatened the government's plan to boost exports, economists said.

The ministry also announced plans to establish a dual exchange market, with export and import transactions made at the official rate, but with a free exchange rate established "where soon transactions will be carried out without the

monetary authority's intervention at freely agreed prices."

Economists said the government was forced to correct the exchange rate and utility charges it had pledged to keep until March because it had based its program on an estimate of 140 percent monthly inflation for July, which turned out to be 196.6 percent.

Mr. Menem's first economy minister, Miguel Roig, devalued the austral by 54 percent on July 9 and fixed its parity at 652.5, expecting it would serve as a guideline for other prices after a bout of hyperinflation had wreaked havoc in Argentina's economy.

Mr. Menem's sweeping program initially restored the public's confidence and brought monthly inflation down to a low 5.6 percent in October.

But after three months of relative stability leading indicators started to slip as labor resistance to Mr. Menem's policies mounted.

The government also announced measures to cut state spending such as the closing of government offices and the sale of public land and buildings. Each ministry will be asked to submit within 60 days a schedule of its own privatization plans.

The government also announced it rescheduled payment of principal of domestic austral and dollar-denominated bonds. It said interest will continue to be serviced but capital repayment was postponed for two years.

Economists estimate Argentina's domestic bond debt at about \$7 billion, or about 10 percent of gross domestic product. (Reuters, UPI)

U.S.-Dutch Pact to Combat Fraud

The Associated Press

THE HAGUE — The U.S. Securities and Exchange Commission signed a pact with Dutch authorities on Monday that is to be the first in a series of information-sharing treaties with foreign governments to combat financial fraud.

"The growth in international investment opportunities creates a corresponding need for greater vigilance in order to maintain the safety and soundness of our markets," said Richard Breeden, chairman of the U.S. Securities and Exchange Commission.

Under the treaty both nations are to assist each other's law

enforcement bodies in criminal investigations that involve insider trading, violations of financial disclosure regulations and other fraudulent market-related activities.

The U.S.-Dutch treaty is subject to ratification by the Dutch legislature, expected early next year. Later this week, Mr. Breeden is to sign a similar government-to-government agreement with France.

The treaty signals a new stage in the growing international cooperation in the fight against securities frauds, according to Mr. Breeden.

He conceded that the powers

of the Dutch regulatory agencies, for instance those to subpoena evidence, were more limited than those of the SEC. Mr. Breeden noted that his commission employed more than 2,200 people, while its Dutch counterpart has a payroll of only five officials.

But he said that the treaty does not only restrict the cooperation to that between similar agencies. It applies to all relevant law enforcement agencies.

The treaty requires law enforcement agencies in both nations to provide evidence such as "documents, testimony, and records" in securities-related cases at the request of their counterparts, Mr. Breeden said.

Ecolab Sells Preferred Stock To Henkel of West Germany

Reuters

ST. PAUL, Minnesota — Ecolab Inc., the U.S. chemical services concern, said Monday it has agreed to sell \$110 million of its series A convertible preferred stock to Henkel KgaA, the West German chemicals company.

The 1.1 million preferred shares are convertible into Ecolab common stock at \$40 per share, giving Henkel a potential 11.5 percent stake in the company.

Ecolab said the two companies view the preferred stock transaction as the initial step in establishing long-term business relationships that may include combinations involving their re-

spective world-wide cleaning and sanitizing businesses. Discussions on this are in the initial stage.

Ecolab said it intends to use the proceeds of the sale to purchase its stock from time to time in the market or in private transactions.

The company also said it will take a one-time fourth quarter charge of \$28 million to \$32 million relating to a restructuring of its Chem-Lawn unit that includes staff reductions, management upgrading, a reorganization of branch operations and the development of new business systems.

The charge includes a goodwill write-off related to an unsuccessful acquisition.

BellSouth Ends LIN Merger Pact

The Associated Press

ATLANTA — BellSouth Corp. agreed Monday to terminate an agreement to merge its cellular telephone operations with those of LIN Broadcasting Corp., freeing LIN to pursue a \$3.38 billion combination with McCaw Cellular Communications Inc.

LIN asked BellSouth last week to terminate the agreement, when McCaw, which has sought LIN for six months, made a revised offer to buy a 50.1 percent controlling interest in LIN for \$154.11 a share, or a total of \$3.38 billion. LIN's board has recommended that its shareholders approve the McCaw deal.

Some Wall Street analysts said they thought BellSouth would make a new offer. But the president of BellSouth Enterprises, William O. McCoy, said Monday that the offer, a noncash proposal made in September, was the best it could do.

BellSouth will receive \$66.5 million in return for ending its agreement with LIN.

Simmons Sows Confusion

Compiled by Our Staff From Dispatches

WASHINGTON — Harold C. Simmons, a former civil servant who parlayed a small drugstore into a Texas-size fortune, is back at a favored pastime: driving Wall Street speculators crazy.

On Monday, through his vehicles Valh Inc. and NL Industries Inc., he filed papers with the Securities and Exchange Commission that said he had raised his stake in Lockheed Corp. to 16.9 percent from 10.84 percent.

On Thursday, Mr. Simmons received permission from the Federal Trade Commission to increase his Lockheed stake to 25 percent. According to the Monday filing, Kronos Inc., a subsidiary of NL, bought 3.76 million shares the same day at \$39.25 each to boost Mr. Simmons's holdings to 10.7 million shares.

For the arbitrageurs who are always on the prowl for takeover candidates, hoping to ride along with the rising stock price, Mr. Simmons is a bit of a problem. He is the rare billionaire investor who does not mind being called a corporate raider. But unlike many of the breed, he does not always make a run at the companies in which he invests. And with millions of dollars in borrowed money invested in possible

takeover stocks, the arbs do not enjoy being teased.

Lockheed, the troubled Calabasas, California-based aerospace giant, is not the only company on Mr. Simmons's plate these days. He also has taken stock positions in Inland Steel Industries Inc. and Georgia Gulf Corp., apparently part of a cat-and-mouse game to keep arbitrageurs guessing, and thus stop them from pushing up the price of the real takeover candidate.

"Simmons sows when everyone expects him to tag," said an analyst, Mr. Simmons, who is estimated by Fortune magazine to be worth about \$1.5 billion, could not be reached for comment. But, he has said: "I'm not out to make the arbs a buck. In fact, I'd just as soon they lost some money. If they lose money, they'll stay away from me."

Thus, although Mr. Simmons continues to stalk Lockheed, adding slowly to his holdings, no one is jumping to any conclusions.

First of all, say analysts, it simply does not make sense that Mr. Simmons would want to own Lockheed. Lockheed is a defense contractor in an era when military markets both in the U.S. and abroad are shrinking. It recently announced that it was merging two defense de-

partments because there was not enough work for both operations.

Also, the U.S. Defense Department gets nervous when raiders go after companies with a lot of classified business, according to Lawrence M. Harris, an analyst at Bateman Eichler, Hill Richards Inc. in Los Angeles.

One common theory is that Mr. Simmons is simply trying to force up the price of the stock in order to sell his old holdings at a profit. He started amassing shares of Lockheed a year ago, and paid in the upper \$40s and lower \$50s for some of those shares.

Thus when the events in Eastern Europe and announcements of proposed defense-budget cuts stave Lockheed plunging into the \$30s, Mr. Simmons, in the argot of the arbs, found himself "under water."

(WP, Reuters)

INGERSOLL-RAND COMPANY (CDRs)

The undersigned announces that as from 20th December 1989 at Kas-Associatie N.V., Spuistraat 172, Amsterdam, div. cap. 65 of the CDRs Ingersoll-Rand Company, each rep. 5 shares, will be payable with Dfl. 2.78 set (div. per rec. date 19.05.89; gross \$0.30 p.a.) after deduction of 15% USA-tax = \$ 0.225 = Dfl. 0.49. Div. cap. belonging to non-residents of The Netherlands will be paid after deduction of an additional 15% USA-tax (= \$ 0.225 = Dfl. 0.49) with Dfl. 2.25 net.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 6th December 1989.

Japanese Firms Join Group To Invest in European Land

Compiled by Our Staff From Dispatches

TOKYO — Two Japanese companies said Monday that they were joining an international consortium that is to invest in Western European real estate.

Saitama Life Insurance Co., Japan's third-largest life insurer in terms of assets will join the group, as will Nippon Credit Bank Ltd., spokesmen said. The group is to be established in Paris next year.

The new company, Europlus Invest, will have capital of one billion French francs (\$165.2 million), the Sumitomo spokesman said.

According to a published report, the 12-member consortium was ini-

tiated by Trammel Crow Co. of the United States. It has four French members, as well as companies from the Netherlands, Belgium, Italy, Austria and Spain.

CHEMICALS: A Cyclical Industry Is Preparing Itself for Harder Times

(Continued from first finance page)

Plastics Co. "But we've all learned now to deal with the cycles."

In the late 1970s, chemical companies operated as though demand would never decline and prices would never stop rising.

"Everyone looked at the same sea leaves, perceived shortages and built at once," recalled William C. Kuhlke, vice president for polymers at Dow Chemical Co., a Houston-based chemical industry consulting firm.

But when the bottom fell out of the world economy in the early '80s, demand slackened and a soaring dollar made exports even less attractive. The companies that had been selling everything they could no longer were suddenly not only selling as little as 65 percent of what they could make, but were also forced to sell even that meager amount at prices that barely covered costs.

The chemical industry learned a lesson — or so it seems. During the recent boom, plenty of new capacity came on stream, but much of it was used to replace aging plants.

"Over the last several years, there's been greater growth in demand than in capacity," said William R. Young, a chemicals analyst

at Drexel Burnham Lambert Inc. But that could change. Several chemical companies worldwide have announced major new plants, which could lead to overcapacity in many commodities as early as 1992.

In some products, like plastics, the industry is already selling all it makes. But in others, tight capacity is only temporary.

For example, an explosion at a Phillips Petroleum Co. plant in Texas in late October took off the market more than one billion pounds, or 19 percent of total industry capacity, of high-density polyethylene, which is used to make plastic bottles, shopping bags and cable insulation.

But Phillips is expected to replace much of that capacity within six months, and several other companies have announced new plants. If prices continue to soften, those plants, along with several other commodity plants announced, may never be built.

Amoco Corp., for one, has already postponed plans for a new olefins plant.

"There's been lots of talk about building more capacity for ethylene, polyethylene, ethylene oxide, and others, but you don't see many

companies putting iron in the ground," said Mr. Zutty of Union Carbide.

The companies most likely to build are those that need the output as raw materials themselves. For that reason, Dow Chemical Co. is almost certain to build new ethylene plants in Texas and in Canada.

"Even with the new plants, we will be net buyers of ethylene," said Enrique C. Falls, Dow's financial vice president.

And industry experts expect that the combination of new products and burgeoning global demand to quickly soak up any excess supply from other new plants.

"A simple thing like the conversion to plastic shopping bags or disposable diapers a few years ago made significant changes in demand that were hard to anticipate," Mr. Bageratz said. "This industry spends a good deal of sales on research, so who knows what other products it will develop?"

Most chemical companies are in fighting shape to enter a down cycle. Throughout the 1980s, they have been shutting inefficient plants, trimming back personnel, investing in modern equipment and divesting money-losing operations.

Today, most have their fixed costs under control.

Productivity throughout the industry has improved, which means that companies can turn a profit at much lower operating rates than in the past. According to a report by Drexel Burnham, the industry would have broken even if it had been running at 57.8 percent of capacity in 1988; three years earlier the break-even point was 63 percent. Even the most pessimistic forecasters do not expect capacity utilization to fall much below 80 percent in the 1990s.

Few project a real profit squeeze, either. The Drexel report suggests that a recession in 1990 could mean a 20 percent drop in chemical operating earnings — nothing to laugh at, but still nowhere near the 45 percent earnings drop the industry suffered in 1982.

"Given the extraordinarily high level of profitability in 1988, even a recessionary 20 percent drop in 1990 operating earnings should be viewed as acceptable," the report concluded.

But perhaps most important, the restructuring that has swept through the industry in the mid-1980s have improved the product mixes of many large chemical companies.

IN HER MAJESTY'S HIGH COURT OF JUSTICE OF THE ISLE OF MAN CHANCERY DIVISION

IN THE MATTER OF the Companies Acts 1931 to 1986

AND

IN THE MATTER OF Savings & Investment Bank Limited (in liquidation)

AND

IN THE MATTER OF the Petition of Michael Anthony Jordan and Timothy John Beaz, Joint Liquidators of Savings & Investment Bank Limited dated 21st November 1989.

NOTICE IS HEREBY GIVEN that by an Order dated 29th November 1989, the court has appointed to be the joint liquidators of Savings & Investment Bank Limited on 29th July 1989, the said Michael Anthony Jordan and Timothy John Beaz, Joint Liquidators of Savings & Investment Bank Limited dated 21st November 1989.

NOTICE IS HEREBY GIVEN that by an Order dated 29th November 1989, the court has appointed to be the joint liquidators of Savings & Investment Bank Limited on 29th July 1989, the said Michael Anthony Jordan and Timothy John Beaz, Joint Liquidators of Savings & Investment Bank Limited dated 21st November 1989.

Kneale Callow
Advocates for Savings & Investment Bank Limited
P.O. Box 154
St. George's Chambers
Hill Street
Douglas
Isle of Man.

ADVERTISING

INTERNATIONAL FUNDS

Quotations supplied by funds houses. Not all values quoted are supplied by the funds listed with the exception of some quoted on issue price.

The following symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (bi) - bi-monthly; (tr) - quarterly; (m) - monthly.

December 11th, 1989

<p>ABN BANK LOMB. P.O. Box 468, Amsterdam</p> <p>(a) ABN-Bank Nederland N.V. FL 112.00</p> <p>(b) ABN-Bank Nederland N.V. FL 112.00</p> <p>(c) ABN-Bank Nederland N.V. FL 112.00</p> <p>(d) ABN-Bank Nederland N.V. FL 112.00</p> <p>(e) ABN-Bank Nederland N.V. FL 112.00</p> <p>(f) ABN-Bank Nederland N.V. FL 112.00</p> <p>(g) ABN-Bank Nederland N.V. FL 112.00</p> <p>(h) ABN-Bank Nederland N.V. FL 112.00</p> <p>(i) ABN-Bank Nederland N.V. FL 112.00</p> <p>(j) ABN-Bank Nederland N.V. FL 112.00</p> <p>(k) ABN-Bank Nederland N.V. FL 112.00</p> <p>(l) ABN-Bank Nederland N.V. FL 112.00</p> <p>(m) ABN-Bank Nederland N.V. FL 112.00</p> <p>(n) ABN-Bank Nederland N.V. FL 112.00</p> <p>(o) ABN-Bank Nederland N.V. FL 112.00</p> <p>(p) ABN-Bank Nederland N.V. FL 112.00</p> <p>(q) ABN-Bank Nederland N.V. FL 112.00</p> <p>(r) ABN-Bank Nederland N.V. FL 112.00</p> <p>(s) ABN-Bank Nederland N.V. FL 112.00</p> <p>(t) ABN-Bank Nederland N.V. FL 112.00</p> <p>(u) ABN-Bank Nederland N.V. 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Be sure that your fund is listed in this space daily. Telex Simon OSBORN at 613595F for further information.

NASDAQ

Monday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the NYSE consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Noon	High	Low	Stock	Div.	Yld	PE	High	Low	PM	Q
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100	100	100	Lotus	0.00	0.0	0	100	100	100	Q
100	100	100	Intuit	0.00	0.0	0	100	100	100	Q
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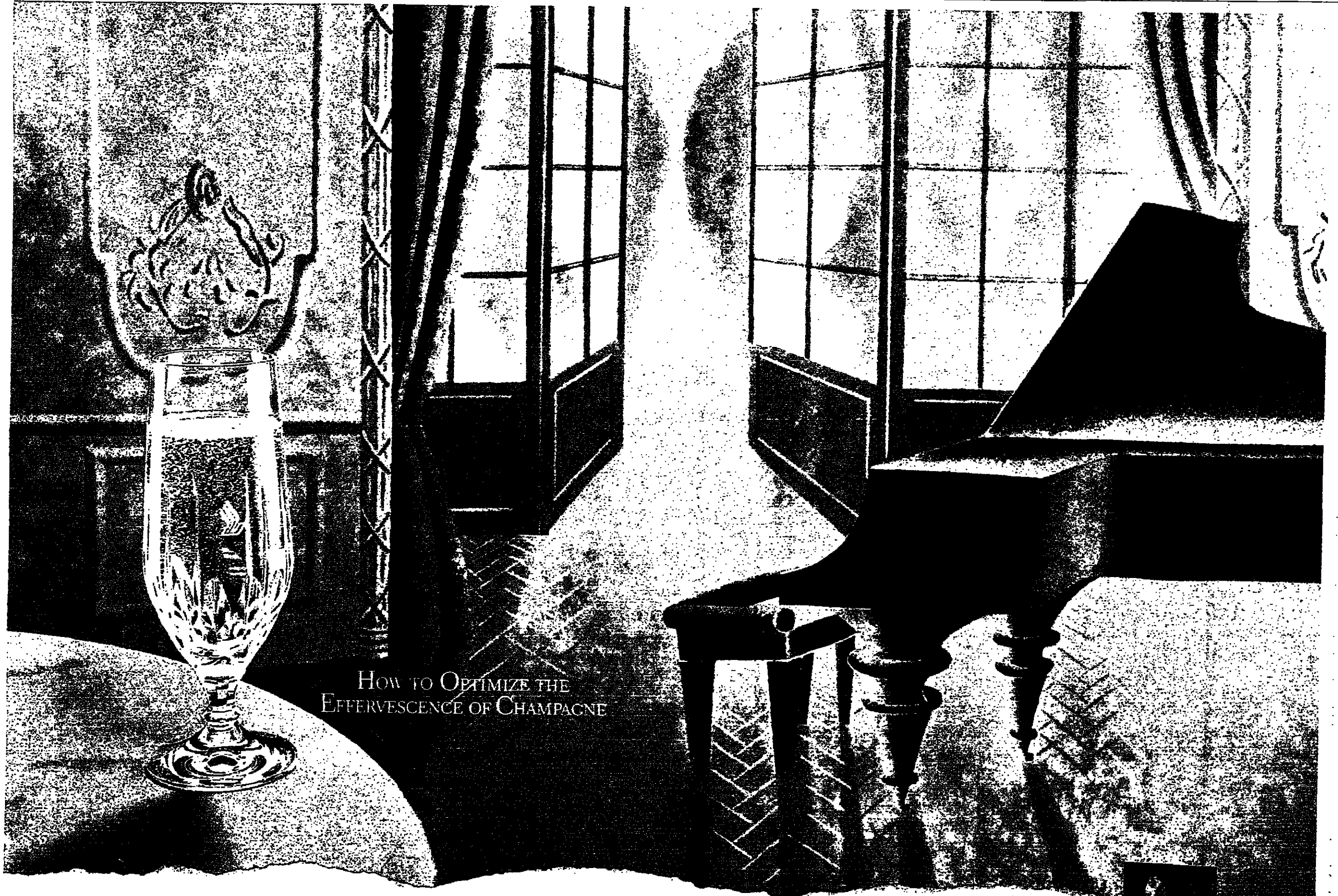
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How to Optimize the Effervescence of Champagne

GRAND CRU DOM PERIGNON SHOULD BE SERVED IN A HAND-CUT CRYSTAL GLASS, WHICH IS TULIP-SHAPED, TO PREVENT THE EFFERVESCENCE ESCAPING TOO QUICKLY AND THE BOUQUET FROM BEING DISSIPATED. SINGAPORE AIRLINES FIRST CLASS.

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SPORTS

Baseball: Big Stakes Game

It's an Age of Prosperity for Players and Owners

By Richard Justice

Washington Post Service

WASHINGTON — When the free agent marketplace closed last winter, the poker game had scared away everyone except a few regulars: George Steinbrenner of the New York Yankees, Gene Autry of the California Angels and Joan Kroc of the San Diego Padres.

Steinbrenner virtually invented the modern baseball salary with his free agent bidding, and last winter he pretty much redefined the post-collusion market by throwing cash at players both good (Steve Sax, \$4 million) and average (Andy Hawkins, \$3.6 million; Dave LaPoint, \$2.6 million).

Meanwhile, Autry told a couple of free agents to give him a call and he would beat whatever their previous best offer had been. He was shut out but nonetheless did his part to help Bruce Hurst get \$5.25 million from the Padres and Nolan Ryan get \$3.2 million from the Texas Rangers.

By that time, new parameters had established and, a few weeks later, Roger Clemens, Orel Hershey and Dwight Gooden signed contracts that would have been unheard of a few weeks earlier: approximately \$7 million for three years.

Steinbrenner and his friends were indirectly good to a lot of others, including Andy Van Slyke of the Pittsburgh Pirates, Jose Canseco of

the Oakland Athletics and Will Clark of the San Francisco Giants, all of whom got raises of almost \$1 million.

Before it was done, there were dozens of baseball people (and some agents) who had been staggered by the new salary structure. Barry Rona, former head of the owners' Player Relations Committee, called it "unbelievable," and not too many people disagreed.

In 1967, when owners still had players in a stranglehold, the average major league salary was \$19,900. In 1975, the year before free agency, it was only \$44,676, but by 1978 had shot up to \$99,876. Next season it is expected to sail past \$500,000.

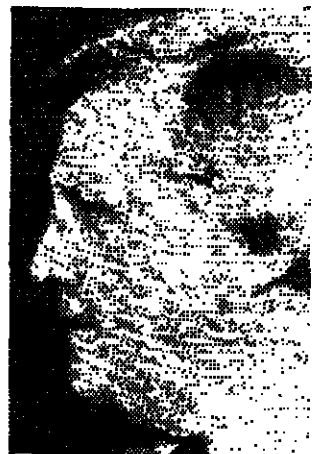
This year's market — the craziest of all — came with the usual cries of big-city teams spending small-market teams out of business and of the power teams settling onto both coasts.

Yet while the Yankees, Angels and Padres continued to stoke the fires of free agency, they were joined by the Detroit Tigers, Seattle Mariners and Boston Red Sox, teams that have not played this game very often.

When serious negotiations for a new collective bargaining agreement begin next month, the owners will emphasize that maintaining a competitive balance is the strongest argument for their proposed revenue-sharing, salary-scale proposal. They will say the Milwaukee Brewers cannot



Gene Autry, left, and George Steinbrenner: Big spenders who made players richer.



compete with the Yankees in the open salary arena. But this week, the players surely got another piece of evidence that the Brewers can if they choose: the Mariners and Tigers can spend millions for free agents, why can't everyone?

After all, the Tigers lured Tony Phillips from the A's, and the Mariners lured Pete O'Brien away from a competitive offer by the Red Sox. And, no, neither the Tigers nor the Mariners expect to lose money in 1990.

Every good player may eventually wind up in California or New York, but 13 years of free agency have not yet destroyed the game.

This is the winter more teams bid more money for more players than at any time in history. At the winter meetings last week, 19 free agents walked away with about \$68 million

and got average annual salaries of about \$1.5 million. From Kent Hrbek and \$14 million to Fred Lynn and \$500,000, it was a fiercely competitive, sky's-the-limit auction.

This, perhaps coincidentally, is the winter when baseball teams are about to see their annual share of network television revenues almost double, from \$7 million to about \$13 million. This is also the winter that 10 teams are coming off record attendance.

Still, the question troubles a lot of people: Is there no ceiling?

Chuck O'Connor, the chief negotiator for the owners, predicts baseball is a game that "should continue to prosper."

That means television revenues, ticket prices, attendance and salaries will maintain an upward spiral. That means teams which will not bid millions for free agents had better spend millions for player development.

Which raises a question: Is spending for free agents as foolish as it appears? Does it cost more to develop a superstar or buy one?

As the Athletics' general manager, Sandy Alderson, said recently: "I've thought a lot about that. Mike Moore [lured from Seattle] cost us this much and Jose Canseco cost us this much. Moore was a straight cost [\$3 million], but to get Canseco here we had to spend hundreds of hours scouting players and hundreds more developing them. To get one Jose Canseco, you do spend millions."

The owners will insist that the fundamental system — especially arbitration — be changed. But like the players, they see the sport as virtually recession-proof.

Another argument has been that since so many players like to live on the West Coast, teams there have an easier time getting free agents. That has not proven to be the case, and a study by the Cleveland Indians last year showed that, with a couple of exceptions, players do not play where they live anyway. And with salaries increasing, more players will be able to maintain two residences.

"I've stopped thinking about these salaries," John Schuerholz, general manager of the Kansas City Royals, said. "I had to so I wouldn't regret it all over myself. That's how I feel about it. My other feeling is that this is the marketplace, and if we want to compete, we have to belly up to the bar."

"It's a changing game, but if you still do the basic things well, you'll do fine," said Andy MacPhail, general manager of the Minnesota Twins.

VANTAGE POINT/Ira Berkow

Jackie Robinson? Who's That?

New York Times Service

NEW YORK — Who was Jackie Robinson, and why do so many know so little about him? In the January issue of Sport Magazine, William L. Ladson asked 20 black athletes, "What does Jackie Robinson mean to you?"

The question came up because 40 years ago this month Robinson was named the National League's most valuable player for 1949. He became the first black player to win the award. This hardly begins to explain, of course, who Jackie Robinson was.

"Jackie Robinson?" said Phil Bradley of the Baltimore Orioles. "What year did he die? I wasn't old enough to remember him."

"I know he was the first black in baseball," said Barry Larkin of the Cincinnati Reds, "but if he were a shortstop I'm sure I would want to know more about him."

"When I was growing up," said Tim Lincecum of the Montreal Expos, "I really didn't know too much about baseball."

"I don't know anything about Jackie Robinson," said Ken Griffey Jr. of the Seattle Mariners.

Others, though, do. Mel Hall of the New York Yankees said "Robinson is the reason why I'm here today. Robinson gave us equal opportunity."

Lee Smith of the Boston Red Sox said, "If Jackie Robinson hadn't stuck his neck out for me, there would be no way I'd be making over one million dollars."

And Dave Henderson of the Oakland A's said: "The success of Jackie Robinson is the reason why I wear his number. The man was a great player."

To a white boy growing up when Jackie Robinson was breaking into the major leagues with the Brooklyn Dodgers, it seems improbable that not everyone knows and understands and has been moved by the story of Robinson.

The white boy remembers going to Wrigley Field in Chicago to see Robinson in the late 1940s, and being a part of the crowd not far from where the bulk of the black fans, proudly and anxiously, sat, in a section in the right-field grandstands.

And all of us were watching him, in his odd but poised and powerful pigeon-toed movements. And though certainly there were some who still wanted to see him fall on his face, the majority, it was felt, even Cub fans, rooted for him, openly or otherwise.

Jackie Roosevelt Robinson was a marvelous player: a daring and brilliant base runner, a batter who could hit the long ball and drag a perfect bunt, and a fielder of amazing skill.

For the young white boy, the story of Robinson was glorious, not unlike a fairy tale, of the ugly duckling who succeeds beyond anyone's fantasy, or a Biblical story, like David, against all odds, vanquishing Goliath.

The story unfolded as Branch Rickey, president of the Dodgers, clandestinely picked Robinson to break the color barrier, and informed

him of the certain and terrible hurdles: He would be spat upon, thrown at, reviled, but that, at first, he must turn the other cheek. Until he was established, if he could make the grade.

There were experts like Bob Feller, who said he wouldn't be able to hit big league pitching. He did, of course, and was 1947's rookie of the year, retiring 10 years later with a batting average of .311. In 1962, he won election to the Baseball Hall of Fame. Again, the first black chosen.

He seems now to be a historical national figure. There are public schools named for him. He was recently honored with his image on a U.S. stamp. He is discussed in text books. And yet some people don't know who he was, or what he meant.

Of course, there are college students who don't know when the Civil War was, or on which side Japan fought in World War II, or what Columbus and an ocean had in common.

Jackie Robinson was instrumental in opening for blacks the doors of baseball

and other sports, and in other areas, too, including the doors of many people's minds. Not all, to be sure. And not enough. But many.

And it is important to remember that he didn't do it alone, that there were, for example, whites like Pee Wee Reese and Leo Durocher and Hank Greenberg and Rickey who helped.

The tragedy in the lack of knowledge of the story of Robinson — by the time he died in 1972 at age 53, he was lamenting the lack of background of young people for black leaders such as Martin Luther King and Rosa Parks — is the rippling ignorance of some, particularly the young.

But Robinson sympathized with their frustration "to get a piece of the action."

Some have, of course. In sports, meanwhile, we see some blacks being as coarse, as self-important, as stupid as some whites. This is one side of egalitarianism. But there are also other blacks manifesting, like other whites, the character, the humanitarianism and the concern that was the legacy of Jackie Robinson.

Some, like Henry Aaron, keep the flame alive. "Before Jackie died, in the days when he was going blind," said Aaron, "we had long talks. I will never forget that he told me to keep talking about what makes me unhappy, to keep the pressure on. His courage and intelligence showed what the black man could be made of."

Yet the lesson of Robinson is not that he was only a hero for blacks. He was a hero for mankind.

He demonstrated the possibilities for those who — through great effort, and will, and hope, and determination, and the resistance to feel sorry for oneself and to blame others — can indeed triumph over enormous and vicious adversity, and realize one's dreams.

Martin Keino: Catching Up to a Famed Father

By Marc Bloom

New York Times Service

NEW YORK — When Martin Keino, a 17-year-old senior at Fork Union Military Academy in Virginia, suddenly emerged this fall as one of the top high school distance runners in the United States, there was a logical explanation.

"Over the summer," he said, "I went home to train with my dad, and when I returned to school, I was in good shape."

But working out with dad involved more than a jog around the block. Martin's father is Kip Keino, a two-time Olympic gold medalist in distance events and a former record-holder from Kenya.

"We'd go out to run at a nice pace at an altitude of 8,000 feet," or about 2,400 meters, Martin said. "Then my dad would accelerate really hard for 600 meters. He'd be ahead, and I'd try to catch up, but I couldn't."

Kip Keino, 49, is one of very few runners to have outlasted his son in the last several months.

This fall, Martin raced through an unbeaten regular season in cross-country, winning eight major titles. He has done so on a training program of 30 miles (48 kilometers) a week.

Saturday, Martin will compete in his first national event, the Kinney High School

Cross-Country Championships in San Diego. There will be two 3,000-meter races, involving 32 boys and 32 girls from across the United States.

Keino entered the eighth grade at Fork Union in the fall of 1985. He had played soccer in Kenya, where he was born, but had no formal running background.

"When I asked Kip if Martin was an athlete," recalled Fred Hardy Jr., a coach at Fork Union, "he emphatically said no."

Fork Union is a boarding school for boys in rural Fluvanna County between Charlottesville and Richmond. It has an enrollment of 625 students from more than 40 states and a number of foreign countries. To pay the tuition of \$9,500 a year, the Keinos receive some financial assistance from private sources.

The elder Keino and his wife, Phyllis, took a liking to the school on a visit in 1985. They are longtime friends of Hardy's father, Fred Hardy Sr., who worked with Keino to recruit Kenyan runners when Hardy was track coach at the University of Richmond.

Keino's running at the 1988 Olympic Games in Mexico City started the era of East African domination of distance running. He won the 1,500 meters and took the silver medal in the 5,000. In the 1972 Olympics in Munich, Keino won the 3,000-meter

steeplechase and was second in the 1,500. That was the year Martin was born, the fourth child in a family now of eight children. In Kenya, the Keinos are known for their humanitarian work. They care for orphans in their home, in the town of Eldoret.

Martin did not begin to show promise until his sophomore year at Fork Union, when he ran a 4:27 mile. As a junior, he improved his best time to 4:16.9 and, like his father, excelled in the steeplechase the first time he ran it. His time of 9:34.3 last spring earned him third-team all-American honors from Track and Field News.

Keino is 5 feet, 10½ inches and 130 pounds (1.7 meters and 58 kilograms) and has the loose and easy stride that was his father's trademark.

"I'm surprised at how well he's run cross-country," Hardy said. "He looks like a pure miler."

Keino said he preferred the mile and would like to break 4:10 by the end of his senior year. Ultimately, he will be aiming for the family record of 3:53.1, held by his father.

Keino will be watched closely, but he welcomes the challenge. "A lot of people think that since my father is Kip Keino, I have to win all the time and break records," he said. "I like that. It inspires me."

CHESS

By Robert Byrne

DIMITRY Gurevich made no excuses for his ½-2½ start in the United States Championship at the Hyatt Regency Hotel in Long Beach, California.

The 33-year-old Soviet-immigrant grandmaster, who now lives in Chicago, could have complained of jet lag, having returned from matches in Switzerland the day before play began on Nov. 9 — except for two things. Three of his rivals in Long Beach had done the same without any noticeably detrimental effect. Roman Dzindzichashvili won his first-round game and then had two draws; John Fedorowicz drew and then won two; Yasser Seirawan drew a long, demanding game and then won one and lost one. The results were all quite respectable in a strong field.

To prove that it is truly hard to pin down what is responsible when things go wrong, one can cite the case of Walter Browne. He only had to travel from Berkeley, yet this six-time winner of the championship lost his first four games.

Anyway, in the second round, Gurevich was solidly outplayed by the 44-year-old New York grandmaster Lev Alburt.

Years ago it was thought that the fianchetto with 3 g3 and 8 g2 was a pusillanimous, ineffective way to play against the aggressive Benoni Defense. But partly through the efforts of Alburt, it has been recognized that the bishop in question can exert powerful pressure to fur-

ther the thematic breakthrough with e4 and e5.

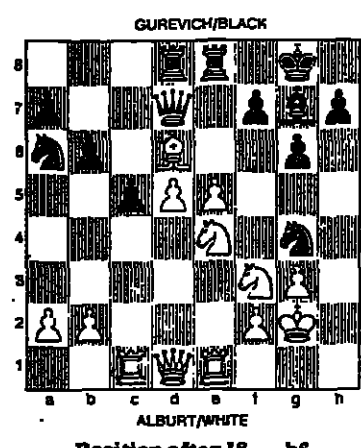
Moreover, at least since 1973, it has been received that White would routinely defend his h pawn by 12 Kh2. But in this game, Alburt shows that the aggressive 12 Bf4! is far superior, the point being that the transaction 12...Bh3 13 Bd6 leaves Black unable to defend himself from being overrun in the center, while there is no way to take advantage of the h pawn missing from the white king position.

Directing force at the e5 pawn with 16...Ng4 failed to stop Alburt's further mobilization in the center with 17...Ne4!, the tactical point being that 17...Ne5? 18 Ne5 Be5 19 Bc5 Re5 costs Black his queen to 20 Nf6.

As soon as Alburt had mobilized his last piece, he broke through the defense with 19 e6! There was no point in trying to ignore this thrust with 19...Qb7 because 20 e7 Q7 21 Ng4 Q5 22 f3 Ne5 23 Ne6 Re8 24 g4 Q7 25 Ng6 wins material.

After 19...e6 20 de, a capture with 20...Qe6 would allow 21 Ng5 Q5 22 Qb3 Kh8 23 Nf7, which wins a bundle of material. Gurevich's alternative, 20...Re6, was hit hard by the same move, 21 Ng5! Gurevich desperately tried 21...Nf2, hoping to put up some resistance after 22 Kf2 Bd4 23 Kf2 Rd6.

But Alburt denied him any chance at all — the New Yorker's 22 Qb3! Ne4 23 Re4 Qd6 24 Rd1! Bd4 (24...Qd1 25 Qe6 Kh8 26 Nf7 Kg8 27 Nb6 Kh8 28 Qg8! Rg8 allows 29 Nf7mate) 25 Ne6 readied



Position after 18...b6

White		Black	
1	g4	14	Kg2
2	g4	15	Rd1
3	g3	16	Qf7
4	g5	17	Ne4
5	g5	18	Rd6
6	g5	19	Re6
7	Nf2	20	de
8	Re2	21	Ng5
9	O-O	22	Qb3
10	g3	23	Re4
11	g4	24	Rd1
12	Bf4	25	Ne6
13	Bd6		Resigns

EYEWITNESS TO WAR: Prints and Daguerreotypes of The Mexican War, 1846-1848

By Martha A. Sandweiss, Rick Stewart and Ben W. Huseman. 368 pages. \$45.95. Smithsonian Institution Press, 955 L'Enfant Plaza, Room 2100, Washington, D.C. 20560.

Reviewed by John Eisenhower

THE Mexican War of 1846-48 was one of the major events in U.S. history, resulting in the acquisition — some would say "theft" — of the vast territories of California and the "Great American Desert." This impressively researched book by the staff of the Amon Carter Museum in Fort Worth, inspired by the museum's collections of historical prints and daguerreotypes, is a study of the part those two new techniques played in contemporary reporting of the war.

"Eyewitness to War" is not a work of history per se. The authors have chosen to approach the war not as historians but, as they put it, "through its graphic record." The result is a book that will give pleasure to students of the graphic arts and history buffs alike.

As the authors point out, the public thirst for war news served as a stimulus to rapid improvements in reporting. Even though later generations have largely forgotten the Mexican War, Americans at the time demanded vivid, detailed words and images depicting events on the Rio Grande, in the Far West and, later, in the heart of Mexico. When Zachary Taylor's little army first exchanged shots with the Mexicans near Brownsville, Texas, in April 1846, new techniques of visual communication were already on hand. The daguerreotype, invented by Louis-Jacques-Mandé Daguerre eight years earlier, was called the "mirror with a memory."

The daguerreotype, however, was still primitive. It recorded its image in positive, not negative, on a silver-coated copper plate which, lacking negatives for easy reproduction, hindered mass distribution. Its products were therefore relegated to small, private collections and the public was kept informed (or misinformed) primarily by means of the new lithograph, the product of artists who derived their information from "eyewitness reports." Written accounts sent to artists back home were often manipulated. Stories of how this practice affected our view of history are recounted here and often make for hilarious reading. Nevertheless, the combination of the lithograph and the new practice of sending reporters with the field armies still made the Mexican War "the most extensively reported event in history up to that time."

The frontispiece sets the tone. Lined up in the shade, out of the hot Saltillo sun, is a regiment of young volunteers. Captured by daguerreotype, they look like modern soldiers — perhaps a bit shorter, probably more stoic, but totally recognizable. That one image tells more than many pages of written words.

John Eisenhower is the author of "So Far From God: The U.S. War With Mexico, 1846-48." He wrote this for The Washington Post.

BOOKS

PEANUTS



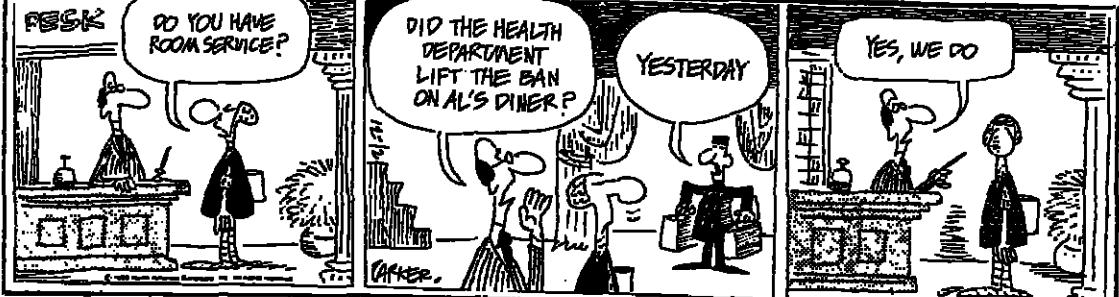
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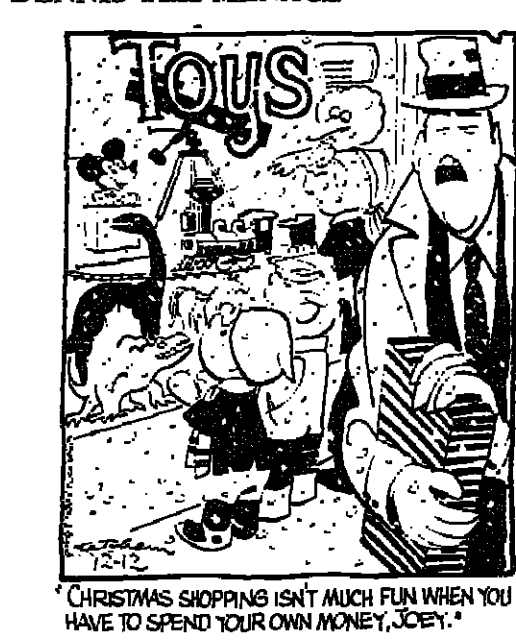
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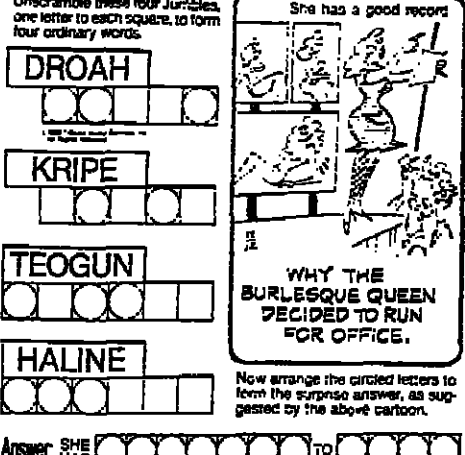


DENNIS THE MENACE



JUMBLE THAT SCRAMBLED WORD GAME

by Henri Arnold and Bob Lee



Now arrange the jumbled letters to form the surprise answer, as suggested by the above cartoon.



ART BUCHWALD

Calling the Art Police

WASHINGTON—I was passing an art gallery the other day and went in to see what was going on. There were only three people in the gallery, including the guard.

I glanced over the seascapes and then strolled into the next room where I couldn't believe my eyes. On the wall for all to see was a giant oil painting of a nude lady, eating an avocado. The title of it was "Bare-breasted Woman Contemplating Her Indoor Swimming Pool" by Locomanni.

I was so horrified that I ran to the door screaming, "Help, filthy pictures, pornography, dirty, dirty, dirty."

It didn't take long for my cries to be answered. People started to pour in from everywhere, many of them pushing me aside to get to the painting.

The mob stared in disbelief and then looked at the nude more. One man bellowed, "Call Jesse Helms."

Another said, "Call the vice squad."

Said another yelled, "I don't care who you call, but call somebody."

Visitors who couldn't get into the room were shouting to those already there, "Move out. We want to see the filthy pictures and be shocked, too."

The guard attempted to keep order. "I can't understand it. Nobody's been in this gallery for years. Now everyone wants to get in."

"You can't believe obscene art

unless you see it for yourself," I told him. "Is it true that this show was sponsored by the National Foundation for the Arts?"

He replied, "Beats me. I only work here. I don't have nothing to do with what they put on the walls. You think that Mr. Helms is going to get me fired?"

"I hope so. He says that anyone who abets and encourages the dissemination of lifelike human bodies on a wall with taxpayers' money is showing contempt for him and North Carolina."

A Fine Arts Mounted Policeman pushed through the crowd. "There it is," an aide said, showing him the painting.

"Oh, my God. It's a nude with no clothes on," the Arts official gasped.

"We didn't know. We gave the money because we heard it was going to be an exhibition of North Carolina tobacco bums. They didn't tell us they were going to display pictures of barlets."

The guard asked, "Are you going to shoot it?"

The mounted cop answered, "No, we're not permitted to shoot paintings that we don't own. However, we can ask for the foundation money back if we have a reason. Let me see the catalogue."

We all gathered around him as he rifled through the pages. "This is awful. The program attacks every great American senator connected with the art world. We're going to demand a refund of our \$10,000 immediately."

The taxpayers in the gallery cheered.

"Hang the curator," someone yelled.

"Run all art pervers out of town," a bag lady shouted.

The police official turned to me and said, "Thank heavens you discovered this masterpiece before any children came here on their Christmas vacations. It's a citizen's duty to report pornography whenever he sees it."

I responded modestly, "Or thinks he sees it. You people can't be everywhere."

Someone rushed in and spoke to the guard. "The line is six blocks long and getting longer. Everybody is afraid that you will take the dirty, filthy picture down before they can get a look at it."

By Richard Gilman

New York Times Service

NEW YORK—It's been said many times that Dustin Hoffman, who will open here Dec. 19 in "The Merchant of Venice," is a wholly unlikely star, an actor with multiple handicaps: He's too short, his nose is too big, his voice has been described, charitably in the opinion of his detractors, as nasal, lacking in resonance and range.

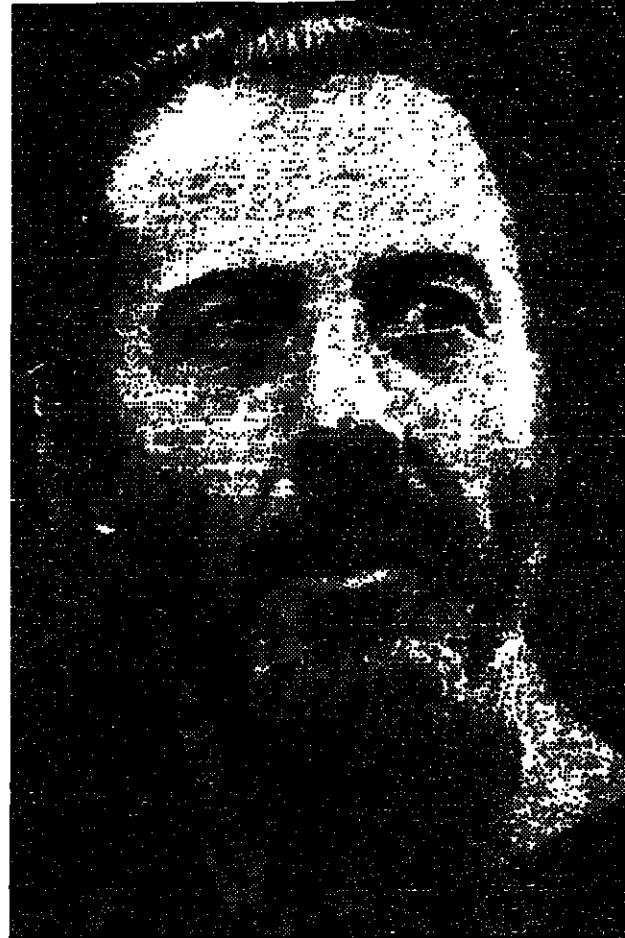
I remember taking note of these things when I saw him in his first stage appearance in 1964. He was 27 or 28 at the time, a somewhat late bloomer, and he played a crippled German homosexual in a play by Ronald Ribman called "Harry, Noon and Night."

The role foreshadowed his brilliant performances as the lame Ratso Rizzo and the autistic Raymond Babbitt in the films "Midnight Cowboy" and "Rain Man." I saw him again a year or so later in another play by Ribman, "The Journey of the Fifth Horse."

Here he had the part of a neurotic clerk in 19th-century Russia, a Dostoyevsky-like creature whom Hoffman afterward described as an "impotent bird," calling this Zerkow the characterization of which he was "most proud." His height was the same, his nose, too, and his voice still reminded me of John Barrymore or Laurence Olivier. But the admiration I had immediately conceived for him grew stronger.

Impotence, debility, affliction of the body or spirit: These have been conditions into which Hoffman has moved as an actor, with a boldness and indifference to his "aura" that very few of his contemporaries can match. Even the role in which he sprang to fame, that of Benjamin in the 1967 film "The Graduate," can be thought of as touching on a kind of malaise; in any case, it didn't fit any tested prescription for success as a young leading man.

Hoffman has said that he "plummeted" to stardom, by which ironic jest I think he meant that the sudden éclat startled him as much as it did anyone else and that it was the fulfillment of no shrewdly conceived blueprint for success. We all recognize now that Hoffman's putative physical shortcomings were destined to turn out to be assets.



Dustin Hoffman as Shylock in "The Merchant of Venice."

For a cultural change began to take place in the '60s, a transmutation of the ideal of the masculine attractiveness as this was embodied by screen actors. Alongside archetypes of large, strong, craggy, clean-browed and mostly silent or at least taciturn heroism there came into view figures of irreverent appeal, unconventionally handsome if handsome at all, a little erratic, a bit unhealthy, acquainted with neurosis or maladjustment, giving off a feeling of the street instead of the studio—Robert Duvall, Al Pacino, Robert De Niro and, centrally, Dustin Hoffman, who once said that his ambition was to be "the world's greatest character actor."

Well, there Hoffman was, with distinguished predecessors. Whether or not the new idea of male, and to a lesser extent female, attractiveness made for bet-

ter movies is debatable, but it did allow us to see a wider range of screen acting than we'd known.

This was the result of a liberation from stereotype, which in turn liberated the inventiveness of actors like Hoffman.

I've never reviewed him in a movie, but in 1969 I said about him in a review of a trivial play by Murray Schisgal called "Jimmy Shine" that though his career at the time was only four or five years old he was already "one of those American actors, like Brando, to whom one is riveted by the possibility of unexpected, exactly right moves."

I haven't had any reason to change my opinion. Hoffman worked in several plays after his great success in "The Graduate" and several years ago took on the role of Willy Loman in an acclaimed revival in New York of "Death of a Salesman." It was a bravura performance acted in the huge shadow of Lee J. Cobb's original Willy, but in my opinion surpassing it.

Then, earlier this year, he performed in London as Shylock in "The Merchant of Venice." This production, with some cast changes but again directed by Peter Hall, has been in previews and will have a limited run at the 46th Street Theater.

The London critics weren't markedly enthusiastic about Hoffman's performance, calling it "modest" and "low-key," "sound and well spoken," but lacking in what one reviewer called "a tragic dimension," and another said was "any strong sense of the character's inveterate malignity."

One doesn't have to have seen Hoffman's performance to quarrel vigorously with some of these judgments. To say that Hoffman lacked a tragic quality or a sense of Shylock's evil is nonsense.

"The Merchant of Venice" is not a tragedy, either formally or in spirit, and Shylock isn't marked by "inveterate malignity" or real malignity of any duration.

A complex figure, both wronged and wronging, he and the play itself to remind us that, as W.H. Auden wrote, "to believe that men and women are either good or bad by nature... is an illusion; in the real world, no hatred is totally without justification, no love totally innocent."

But whatever the quality of Hoffman's performance, the importance of the London occasion was recognized by the great actress Dame Peggy Ashcroft, who told an interviewer on opening night, "It's thrilling that he should make his Shakespeare debut in this country."

To assy Shakespeare for the first time at the age of 51, and in England of all potentially hostile places, is representative of the daring artistic ambition, the willingness to take risks and stretch his gifts, that we have come to expect from Hoffman and from very few others of his magnitude in our "entertainment" industries.

Hoffman obviously doesn't have the usual background or training for Shakespeare, and it's clear that some believe he doesn't have the size either, meaning presence not height. The words "Shakespearean actor" conjure up images of grandeur, weightiness, wide eloquence, none of which Hoffman possesses.

His is a small, extremely delicate and subtle set of gifts that issue in a type of acting we can call silent, or implicative or indirect, a rhythm of nuances instead of force, epiphanies rather than crescendos.

But Shakespeare, forever being stretched and modulated and reimagined to accommodate new sensibilities, can make room for this sort of acting, too.

Beyond the mechanics and even the genius of acting, what makes for Hoffman's status in our esteem, his special place, is something I'd like to call his integrity. An old-fashioned word, not often applied to performers; and there's another elderly honorific I'd like to bestow on Hoffman, too: his having been so honorable.

Seldom concerned with making himself look good, rejecting almost all traditional means of seduction, standing behind not an aura but a most careful, if not invariably triumphant, body of work, Hoffman has been faithful to his art and to us. If there were a Hippocratic Oath for actors, he would surely take it with alacrity.

Richard Gilman is a critic and professor at the Yale School of Drama.

PEOPLE

Paris's Opéra Bastille To Open With Berlioz

Paris's new Opéra Bastille, for eight years a political and artistic football, announced Monday that it would open March 17 with a new production of Hector Berlioz's opera "Les Troyens," conducted by Myung-whan Chung, the music director, staged and designed by Pierre LaPlante, and with the American Grace Bandy and Shirley Verrett in leading roles. Georges-François Hirsch, the general administrator, said that a "mini-season," to July 14, will include a second opera, Leos Janáček's "Katya Kabanova," concerts and recitals. The house will then close until the fall to concentrate on fine-tuning its high-tech equipment, Chung said, that preparing "Les Troyens" in time—the work has never been done complete in Paris—"would take a miracle—but I have faith."

People magazine broke a tradition of sorts by choosing Sean Connery, 59, as the sexiest man alive in 1989. Previous winners have been considerably younger and with considerably more hair. "For once I'm speechless," Connery said. "I'll be all downhill from here."

The son of Boris Pasternak has collected his father's Nobel literature prize, 31 years after Soviet officials forced him to refuse the 1958 prize for "Doctor Zhivago." He died in 1960. A few days ago, Soviet authorities allowed his 66-year-old son, Yegor, to go to Stockholm to collect the prize.

Two Americans, Jeffrey Blag and Brian Green, shared the first prize in the 22d Marguerite Long-Jacques Thibaud International Piano competition in Paris. Each won 60,000 francs (almost \$10,000), and Ganz also won prizes for best recital and best interpretation of the required contemporary work.

The life of the dancer and choreographer Alvin Ailey, who died Dec. 1 at 58, was celebrated in a funeral service that had pomp and drama as well as music and dance. The drummer Max Roach played the professional at the Episcopal Cathedral of St. John the Divine in New York, and Judith Jamison, a former star of Ailey's company, called him "my spiritual father and support... he gave me legs until I could stand on my own."

INTERNATIONAL CLASSIFIED

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